

FCC rules require RHC Pilot Projects to competitively bid supported services and equipment and competitive bidding ensures that one service provider is not disadvantaged over another service provider.¹⁸ Based on the documents, IRHTP's competitive bidding processes for the above-referenced FRNs did not ensure that one service provider was not disadvantaged over another. In addition, IRHTP's competitive processes for these FRNs may have discouraged prospective bidders.

As explained above, Mr. Crandell is AIS's sole owner and principal associate and also performed work for IRHTP to implement and execute the IRHTP, including work on IRHTP's first RFP for inspection services.¹⁹ The documents indicate that Mr. Crandell attended IRHTP's November 12, 2008 steering committee meeting where IRHTP discussed the price of the two bids received for its first RFP for inspection services and ultimately elected not to award a contract because "[b]oth bids (AT&T \$2.3 million and Adesta \$1.3 million) exceeded any remaining funds available for the project."²⁰ During this meeting, IRHTP also determined that "[a] substantially lower cost quality assurance process can be developed using the above factors and periodic (not constant) inspection....An alternative method of quality assurance may require another competitive bidding process."²¹ The documents do not indicate that any other prospective bidders for the inspection services were present at this meeting. Following the November 12, 2008 meeting, Mr. Crandell "mentioned [to IRHTP] that he might be interested in bidding on a more scaled back quality assurance RFP if IRHTP decided in the future to issue one."²² As a result, IRHTP screened Mr. Crandell from work on its two subsequent RFPs for scaled-back inspections services.²³ IRHTP issued its two subsequent RFPs for scaled-back inspection services on July 8, 2009 and May 4, 2012, and AIS competed for and was awarded contracts to provide those services for the above-referenced FRNs.²⁴

In addition, Mr. Crandell also worked on IRHTP's RFPs for outside fiber plant, network and site electronics, broadband lit services, and meshed Ethernet services.²⁵ As a result of Mr. Crandell's work on these RFPs, AIS also had access to information concerning IRHTP's fiber plant, IRHTP's remaining available RHC Pilot Program funding, and general information

¹⁸ See *Pilot Program Order*, 22 FCC Rcd at 20412, 20414, ¶¶ 100, 102; 47 C.F.R. §§ 54.603 and 54.615 (2008-11).

¹⁹ See *supra* n. 4.

²⁰ IRHTP Steering Committee Minutes at 2 (Nov. 12, 2008). The minutes for this meeting list Mr. Crandell as IRHTP "staff" present during the meeting. *Id.*

²¹ *Id.*

²² Affidavit of Art Spies, IRHTP, at 1 (Oct. 3, 2014) (*Spies Affidavit*).

²³ See, e.g., Curtis Affidavit, at 3, ¶¶ 25-26, 29-31; Spies Affidavit, at 1-2; Crandell Affidavit at 4, ¶¶ 28-33.

²⁴ See, e.g., Spies Affidavit at 1-3; Crandell Affidavit, at 3-5, ¶¶ 18-20, 34-36, Memorandum from Art Spies, IRHTP, to IRHTP Steering Committee at 1 (Sept. 16, 2009); Memorandum from Art Spies, to USAC and FCC, at 1 (June 21, 2012). For IRHTP's second RFP for inspection services, Adesta and AIS were the only bidders. For the third RFP, AIS was the only bidder. See Memorandum from Art Spies, IRHTP, to IRHTP Steering Committee at 1 (Sept. 16, 2009); Memorandum from Art Spies, to USAC and FCC, at 1 (June 21, 2012).

²⁵ See, e.g., Crandell Affidavit at 2, ¶ 13, Memoranda from Art Spies, IRHTP, to USAC auditors at 1-2 (Mar. 13, 2014 and May 12, 2014).

about IRHTP's competitive bidding and vendor selection processes and procedures. The documents do not indicate that other prospective bidders for the inspection services had access to this same information.

AIS and IRHTP assert that IRHTP complied with the FCC's competitive bidding rules by screening Mr. Crandell from work on the RFPs for scaled-back inspection services and also state that this action was consistent with USAC guidance.²⁶ In addition, AIS and IRHTP assert that Mr. Crandell's work on the first RFP for inspection services had no bearing on the competitive bidding processes for IRHTP's second and third RFPs for inspection services because those subsequent RFPs requested "scaled-back" inspection services and used a different bid price format than what was used in the first RFP for inspection services.²⁷ AIS further asserts that it did not use information that was not available to other bidders in submitting its bid.²⁸

USAC acknowledges that the documents indicate that Mr. Crandell was screened from work on IRHTP's second and third RFPs for scaled-back inspection services.²⁹ However, the fact remains that as a result of Mr. Crandell's work to implement and execute the IRHTP, AIS had access to information about IRHTP's needs for inspection services, the bids received for IRHTP's first inspection services RFP, IRHTP's outside fiber plant, IRHTP's budget, and IRHTP's general competitive bidding and vendor selection processes. The documents do not indicate that other prospective bidders had access to this same information. Therefore, IRHTP's competitive bidding processes for the above-referenced FRNs did not ensure that one service provider was not disadvantaged over another.³⁰ Further, the fact that Mr. Crandell

²⁶ See AIS Appeal at 2-3, 7-8; IRHTP Appeal at 6, 13-16; Curtis Affidavit, at 3, ¶¶ 25-26, 38, 29-31; Spies Affidavit, at 1-2; Crandell Affidavit at 3-4, ¶¶ 19-20, 25, 28-33.

²⁷ IRHTP Appeal at 4-5; AIS Appeal at 3-4, n. 11. USAC acknowledges that the documents indicate that the second and third RFPs used a different pricing format than the first RFP and also requested periodic rather than the constant inspections requested in the first RFP. However, the documents also indicate that there are significant similarities between the three inspection services RFPs. Therefore, IRHTP's first RFP for inspection services is not wholly unrelated to IRHTP's second and third RFPs for inspection services. Specifically, the three RFPs contain similar (and in many places, identical) language in the "vendor qualifications," "site inspectors" and "services requested" sections. Compare Notice to Vendors Request for Proposal IRHTP RFP 08-001 at 16-18, §§ 3.18 (Vendor Qualifications), 3.19 (Site Inspectors), 3.20 (Services Requested), to Notice to Vendors Request for Proposal IRHTP RFP 09-002 at 14-16, §§ 3.6 (Vendor Qualifications), 3.7 (Site Inspectors), 3.9 (Services Requested), and also to Notice to Vendors Request for Proposal IRHTP RFP 12-004 at 15-17, §§ 4.6 (Vendor Qualifications), 4.7 (Site Inspectors), 4.9 (Services Requested). All three RFPs also requested inspection services for outside fiber plant for the IRHTP network. See Notice to Vendors, Request for Proposal IRHTP RFP 08-001 at 16, § 3.13 (General) (Notice to Vendors, Request for Proposal IRHTP RFP 09-002, at 12, § 3.1 (Background and General Information.) requesting scaled-back inspection services for the sites listed in the first RFP); Notice to Vendors Request for Proposal IRHTP RFP 12-004 at 14 (requesting scaled-back inspection services for a few sites not included in the second RFP).

²⁸ AIS Appeal at 6.

²⁹ See, e.g., Curtis Affidavit, at 3, ¶¶ 25-26, 28-31; Spies Affidavit, at 1-2; Crandell Affidavit at 4-5, ¶¶ 28-33.

³⁰ See, e.g., *In the Matter of Requests for Review of Decisions of the Universal Service Administrator by Marana Unified Sch. Dist.*, CC Docket No. 02-6, Order, DA 12-196, 27 FCC Rcd 1525, 1530-1531, ¶¶ 10-11 (2012) (upholding USAC's determination that an applicant for Schools and Libraries Program funding violated the

performed work to implement and execute the IRHTP and also bid on the scaled-back inspection services may have discouraged prospective bidders for the scaled-back inspection services.³¹ As a result, IRHTP's competitive bidding processes for the above-referenced FRNs did not comply with the FCC's competitive bidding rules.³² Further, consistent with FCC orders, any guidance that USAC may have provided to IRHTP concerning screening Mr. Crandell from work on IRHTP's second and third RFPs for inspection services did not relieve IRHTP of its obligation to comply with the FCC's competitive bidding rules.³³

2. *IRHTP's Required Written Disclosures for FRNs 41446 and 63145 Did Not Comply With FCC Rules*

In addition, IRHTP's required written disclosures to USAC for the above-referenced FRNs did not contain all of the information required under the FCC's written disclosure requirements for the RHC Pilot Program. As explained above, to ensure compliance with the competitive bidding requirements, the FCC requires RHC Pilot Projects to identify, *when they submit their Form 465*, "any consultants, service providers, or other outside experts, whether paid or unpaid, who aided in the preparation of their Pilot Program applications."³⁴ As the FCC further explained in the *Pilot Program Order*, the written disclosure requirements for the RHC Pilot Program facilitate USAC's competitive bidding reviews.³⁵

competitive bidding requirements where the applicant gave the selected service provider information that was not available to other prospective bidders including "engag[ing] in meetings, email discussions, and verbal discussions" before the applicant posted its FCC Form 470 to request bids, and the applicant provided the service provider "with information about the current needs of the school district and advised [the service provider] on what [it] should include in its bid response."). As with the RHC Pilot Program, competitive bidding is a cornerstone of the Schools and Libraries Program. See, e.g., *In the Matter of Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9029, ¶ 480 (1997) ("We, therefore, adopt the Joint Board's finding that fiscal responsibility compels us to require that eligible schools and libraries seek competitive bids for all services eligible for section 254(h) discounts. Competitive bidding is the most efficient means for ensuring that eligible schools and libraries are informed about all of the choices available to them.").

³¹ See, e.g., *In the Matter of Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc.* *Federal-State Joint Board on Universal Service*, FCC 00-167, 16 FCC Rcd 4028, 4033, ¶¶ 10-11 (2000) ("We find that an applicant violates the competitive bidding requirements when it surrenders control of the bidding process to a service provider that participates in the bidding process.... We believe that the participation of the contact person in the bidding process may significantly affect the submission of bids by other prospective bidders, thereby undermining the ability of the applicant to obtain the most cost-effective bid.").

³² See *Pilot Program Order*, 22 FCC Rcd at 20414, ¶ 102.

³³ See, e.g., *In re Mary Ann Salvatiello*, Memorandum Opinion and Order, 6 FCC Rcd 4705, 4707-8, ¶ 22 (1991) (citing *Office of Personnel Management v. Richmond*, 497 U.S. 1046 (1990)) (finding that incorrect Commission advice would not estop the Commission from enforcing its rules and stating "[a] person relying on informal advice given by Commission staff does so at their own risk."); *In the Matter of Requests for Review of the Decision of the Universal Service Administrator by Sullins Acad., Federal-State Joint Board on Universal Service, Changes to the Bd. of Dir. of the Nat'l Exchange Carrier Ass'n, Inc.*, 17 FCC Rcd 23829, 23830, ¶ 5 (2002) ("Commission precedent establishes that where a party has received erroneous advice, the government is not estopped from enforcing its rules in a manner that is inconsistent with the advice provided by the employee."). USAC notes that its records do not indicate the specific guidance that USAC may have provided concerning this matter.

³⁴ *Pilot Program Order*, 22 FCC Rcd at 20415, ¶ 103 (emphasis added).

³⁵ *Id.*

IRHTP's written disclosures to USAC for the above-referenced FRNs requesting scaled-back inspection services from AIS did not indicate that AIS's owner, Mr. Crandell, worked on IRHTP's first RFP for inspection services, as required by FCC rules.³⁶ However, FCC rules required IRHTP to disclose this information because Mr. Crandell's work for IRHTP and his company AIS's subsequent participation in the competitive bidding process for IRHTP's RFPs for scaled-back inspection services raised competitive bidding concerns. IRHTP did not disclose that Mr. Crandell worked on the first RFP for inspection services, until the audit, which was well *after* IRHTP awarded AIS the contracts to provide the scaled-back inspection services and received its funding commitments for those services.³⁷ IRHTP asserts that this was an oversight that IRHTP remedied by disclosing Mr. Crandell's work on IRHTP's first RFP for inspection services during the audit.³⁸ However, IRHTP's provision of this information during the audit did not cure IRHTP's non-compliance with the FCC's written disclosure requirements. Because IRHTP's written disclosures did not identify Mr. Crandell's work on IRHTP's first RFP for inspection services, USAC did not have complete information concerning IRHTP's competitive bidding processes for the scaled-back inspection services. This in turn hindered USAC's competitive bidding review for FRNs 41446 and 63145 and USAC issued funding commitments based on the information in IRHTP's original written disclosures and supporting competitive bidding documents. While USAC acknowledges that IRHTP disclosed Mr. Crandell's work on IRHTP's first RFP for inspection services during the audit, USAC is not authorized to waive the FCC's written disclosure requirements for the RHC Pilot Program.³⁹

Conclusion

For the foregoing reasons, IRHTP and AIS have not demonstrated that IRHTP complied with the FCC's competitive bidding requirements for FRNs 41446 and 63145. As explained above, USAC is not authorized to waive the FCC's competitive bidding rules for the RHC Pilot Program. For these reasons, USAC is unable to grant the appeals and the requests to rescind the COMAD letter for the above-referenced FRNs.

³⁶ See Audit Report at 7-8; Email from Art Spies, IRHTP, to USAC, at 1 (May 29, 2008) (identifying Art Spies and ICN staff as the parties that developed the original inspection services RFP and evaluated bids); Memorandum from Art Spies, IRHTP, to USAC, at 1 (June 29, 2009) (indicating same individuals worked on IRHTP's second RFP for inspection services); Memorandum from Art Spies, IRHTP, to USAC and FCC, at 1 (June 21, 2012) (indicating same individuals worked on IRHTP's third RFP for inspection services).

³⁷ See Memoranda from Art Spies, IRHTP, to USAC auditors (Mar. 13, 2014 and May 12, 2014).

³⁸ See IRHTP Appeal at 6.

³⁹ See generally, 47 C.F.R. §§ 1.3, 54.702(c) (2008).

Mr. Anthony Crandell
Access Integration Specialists
January 27, 2016
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If you wish to appeal this decision, you may file an appeal pursuant to the requirements of 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:

<http://www.usac.org/about/about/program-integrity/appeals.aspx>

Sincerely,

/s/ Universal Service Administrative Company

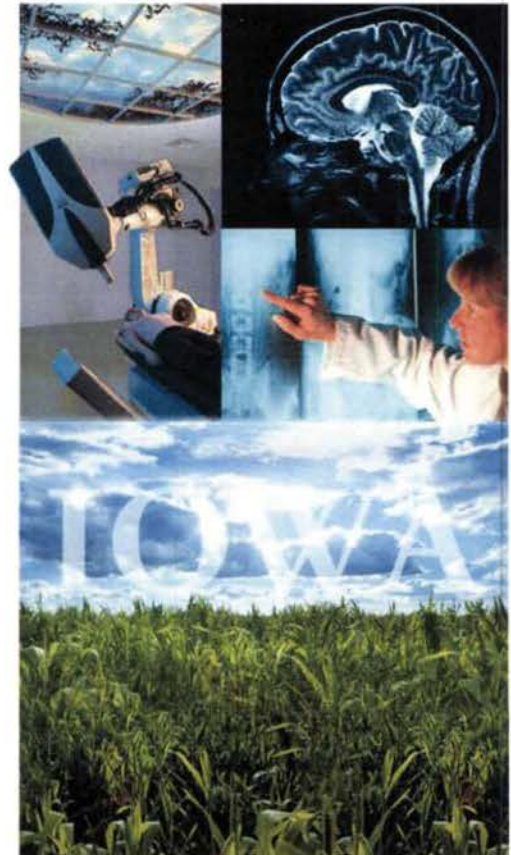
cc: Adam D. Zenor, Greffe Sidney

**NOTICE TO VENDORS
REQUEST FOR PROPOSAL
IRHTP RFP 08-001**

**Outside Plant Fiber Optic Cable Project at
94 Health Care Locations Throughout the
State of Iowa**

**Mr. Art Spies
Senior Vice President
Iowa Hospital Association
100 East Grand Avenue, Suite 100
Des Moines, IA 50309
spies@ihaonline.org**

**The Iowa Rural Health Telecommunications
Program (IRHTP) will be receiving sealed
bid proposals for RFP 08-001 until
3:00 p.m. CDST, September 12, 2008.**



**Healthcare
without limits™
faster
more reliable
co\$t effective**

Outside Plant – Fiber Optic Cable and IRU

THIS REQUEST FOR PROPOSAL CONSISTS OF FOUR CHAPTERS, THREE ANNEXES, AND SIX ATTACHMENTS:

<u>CHAPTER</u>	<u>TITLE</u>
1	<u>Administrative Issues</u>
2	<u>Contractual Terms</u>
3	Technical Specifications <u>Part I – Outside Plant Fiber Installation</u> <u>Part II – Quality Assurance Inspection Services</u>
4	<u>Evaluation Criteria, Part I & II</u>
Annex A	<u>Site Maps and Information</u> (Detailed Site Information on a separate Compact Disc)
Annex B	<u>Detailed Outside Plant Installation Specifications</u> Parts 1-8
Annex C	<u>Link-Segment Completion Checklist</u> OSP Checklist
Attachment 1	<u>Contractual Terms and Conditions, Part I & II</u>
Attachment 2	<u>Bid Proposal Compliance Form</u>
Attachment 3	<u>Authorization to Release Information</u>
Attachment 4	<u>Bid Proposal Submittal Form, Part I & II</u>
Attachment 5	<u>Indefeasible Right of Use (IRUs), Part I</u>
Attachment 6	<u>USAC Competitive Bidding Process</u>

General Information

Iowa Rural Health Telecommunications Program

RFP 08-001

Introduction. The Iowa Rural Health Telecommunications Program (IRHTP) is a consortium of public and private hospitals seeking to solve the problem of isolation, travel, and limited resources that constrain health care delivery in rural Iowa and its surrounding region. To achieve this goal, IRHTP will leverage the expertise of the Iowa Hospital Association (IHA) as a health care collaborator, the capability of the Iowa Communications Network (ICN) in administering telecommunications services, and the Federal Communications Commission Rural Health Care Pilot Program in providing the funds to develop a statewide dedicated health care network. The goal is to use proven technology to connect approximately 94 mostly rural hospitals, with 1,000 megabits of high speed Ethernet access, to a secure, dedicated, and financially sound network.

Specifically, the IRHTP is seeking bid proposals to provide last mile fiber optic connections from consortium hospitals to the closest appropriate ICN Point of Presence (POP) to establish a statewide health care network.

Overview. This project is a "site by site" approach for infrastructure build-out for the proposed project. The contractor is responsible for all the right-of-way (ROW) procurement and the resolution of ROW issues. Indefeasible Right of Use (IRUs) will be considered as an alternative to construction, but as an optional response.

Other major duties of the contractor include acquiring city and county permits, securing all outside plant materials to complete the project, submitting red-lined construction drawings per site, documenting all fiber testing, and coordinating other related issues with the consortium's project manager. Contractor is responsible for all One-Call notifications.

The IRHTP has prioritized the build-out areas into what it considers a logical statewide workflow to meet the consortium's needs within the time permitted. The contractor will, however, receive latitude to proceed in a fashion maximizing its ability to economically mobilize and deploy its resources for the good of IRHTP. The project plan divides work to be performed into merged areas. Seventeen merged areas are developed and represent the natural break between the access portion of the network and the aggregation/core network. The project plan assumes the contractor will start and complete several merged areas in fiscal year 2008 with the majority of the merged area outside plant work completed in FY 2009.

Installation of edge network electronics and Coarse Wave Division Multiplexing (CWDM) access systems will follow the completion, testing, and acceptance of each fiber link-segment within the merged area. The installation of core electronics is not dependant on access portions of the network being completed. It is expected the procurement, testing, and installation of the core network electronics will proceed in parallel with the installation of sites in each merged area.

RFP Organization. Vendors Please Note! Chapter 3 of this RFP is comprised of **two parts**: Part One is the technical specification for the procurement and installation of fiber optic cable facilities. Part Two is the technical specification for the Quality Assurance inspection services, overseeing and monitoring the installation of the fiber optic facilities being procured under Part I. Vendors may submit proposals for both Parts One and Two. However, a Vendor cannot be awarded both Parts. A Vendor submitting a bid for Part II, will not be awarded a contract if the Vendor has any business relationship with the Vendor awarded Part I of this RFP.

Types of Proposals. The Iowa Rural Health Telecommunications Program is soliciting proposals from qualified fiber optic network providers to furnish and install additional fiber optic cable extensions to the existing Iowa Communications Network (ICN).

Type One Proposal – One inclusive price to provide statewide end to end fiber optic cable connectivity from each of the hospital endpoints to the designated ICN Point of Presence.

Type Two Proposal – One inclusive price to provide all of the end to end fiber optic cable connectivity within each or selected merged areas. Vendor must accommodate and account for all sites within that merged area.

Type Three Proposal – A vendor may offer a “site by site” bid. IHA will consider these bids on an individual basis. However, IHA is not required to accept a “site by site” low bid when the inclusion of that bid causes the total price for a merged area to be higher than that of vendor bidding the entire merged area.

Network Procurement. The RFP process will allow the consortium to receive competitive offers for fiber facilities from independent telephone companies, local exchange carriers, cable operators, municipalities, and others. These competitive offers will be weighed against constructing a new link-segment connection from each hospital to the fiber backbone. The RFP process coupled with leveraging the State of Iowa’s current networking assets will ensure an economically reasonable statewide healthcare network. Indefeasible Right of Use (IRU) will be considered on a case-by-case basis as an alternative to the construction of some link-segment facilities.

Network Topology. The proposed network design assumes a fiber build-out from the rural healthcare providers’ (HCPs) facilities to the ICN’s closest appropriate Point of Presence (POP)

ANNEX D. The ICN has prepared basic route and facility documents that describe ICN POPs, potential fiber routes, and fiber access at each health care location. The compiled information is available on CD and is referred to as ANNEX D within this RFP. Vendors may request a copy of ANNEX D for purposes of assembling responses to this RFP. All requests for CDs are to be directed to Art Spies at (515) 288-1955 or spiesa@ihaonline.org.

CHAPTER 1
ADMINISTRATIVE ISSUES
RFP 08-001

1.0 General. The Rural Health Care Program of the Universal Service Fund (USF), which is administered by the Universal Service Administrative Company (USAC), is a support program authorized by Congress and designed by the Federal Communications Commission (FCC) to provide reduced rates to rural health care providers (HCPs) for telecommunications services and Internet access charges related to the use of telemedicine & tele-health. The Iowa Rural Health Telecommunications Program (IRHTP) and the Iowa Hospital Association (IHA) received approval to proceed with the connection of 94 Iowa hospitals to the Iowa Communications Network using newly constructed or existing fiber optic cable facilities. IRHTP is seeking bid proposals for an Outside Plant Fiber Optic Cable Project at 94 health care locations throughout the State of Iowa.

1.1 Notice. This project is subject to the USAC procurement rules. The IRHTP will submit a USAC Form 465, RFP, and supporting documentation to USAC who will review the documentation and will post the RFP on the USAC website. All RFPs will be open for response and bidding for a minimum of twenty eight (28) days after the posting. After documents are posted to the USAC website, the following process will commence:

1.2 Schedule and Submission of Proposal.

1.2.1 Vendors Conference. A Vendors Conference will be held on Tuesday, August 12, 2008 at 9:00 a.m. Central Daylight Saving Time (CDST), at the Iowa Hospital Association offices located at 100 East Grand Avenue, Suite 100, Des Moines, Iowa. **Vendors are encouraged to attend the vendors conference to help gain a full understanding of the project.**

1.2.2 Questions and Answers. Vendors are invited to submit written questions and/or requests for interpretation/consideration/acceptance concerning this RFP on or before 4:00 p.m. CDST, August 15, 2008. Vendors with questions concerning this RFP may submit questions in writing via email to Art Spies at spiesa@ihaonline.org. Oral questions will not be accepted, and verbal communications shall not override written communications. Only written communications are binding on IRHTP. If the questions, requests for clarifications, or suggestions pertain to a specific section of the RFP, the page and section number(s) must be referenced. IRHTP will prepare a written response to all pertinent questions submitted by Vendors and will post questions and responses on the Iowa Hospital Association web page, www.ihaonline.org by the close of business on August 19, 2008. The IRHTP's written responses will be considered part of the RFP. If the IRHTP decides to adopt a suggestion, the IRHTP will issue an amendment to the RFP.

1.2.3 The IRHTP assumes no responsibility for verbal representations made by its consortium members and representatives unless such representations are confirmed in writing by the IRHTP and incorporated into this RFP.

1.2.4 Changes and Amendments. In the event it becomes necessary for IRHTP to amend, add to or delete any part of this RFP, the amendment will be posted on the IHA website. Vendor's bid proposal must include acknowledgment of all addenda issued by IRHTP. If the IRHTP amends the RFP after the closing date of receipt of proposals, the IRHTP may, in its sole discretion, allow Vendors to amend their bid proposals in response to the IRHTP's amendment.

1.2.5 Receipt of Bid Proposals. Bid Proposals must be received at IHA's office no later than 3:00 p.m. CDST September 12, 2008. **This requirement is a mandatory requirement and is not a minor deficiency subject to waiver by the IRHTP.** No bid proposals will be accepted after the date and time specified. A late bid proposal shall be returned unopened to the Vendor. Additionally, no bid proposal will be accepted by telephone, electronic mail or facsimile. **The bid proposals must be mailed (with mailing in sufficient time to arrive on or before this deadline requirement) or be delivered as follows:**

Mailing Address:

Iowa Hospital Association
Attn: Mr. Art Spies
100 East Grand Ave. Suite 100
Des Moines, Iowa 50309

Delivery To:

Iowa Hospital Association
Attn: Mr. Art Spies
100 East Grand Ave. Suite 100
Des Moines, Iowa 50309

If bid proposals are delivered by mail service, express courier, delivery service or company, or in person, it shall be the sole responsibility of the Vendor submitting the proposal to insure that such delivery takes place prior to the aforementioned deadline. There shall be no waiving of the deadline due to missed deliveries on the part of the Vendor, Vendor's delivery staff or Vendor's choice of delivery service(s). Deliveries made directly to IHA must be placed with the IHA staff person able to accept such delivery.

1.2.6 Bid Proposal Opening. Bid Proposals will be opened at 3:00 p.m. CDST on September 12, 2008. Vendors may attend the bid opening if they wish, but no price information or any other information contained in any bid will be made public at that time. The bid proposals and the evaluation documents created by the IRHTP will remain confidential until the evaluation committee has evaluated all bid proposals submitted in response to this RFP and the IRHTP has issued a notice of award. The bid proposals submitted and the evaluation documents created by the IRHTP may be available for inspection subject to FCC and USAC guidelines or other applicable law only after the selection process is complete.

1.2.6.1 Failure to comply with or supply any and all information requested to accompany bid proposals may be cause for rejection of the proposal as non-compliant.

1.2.6.2 All bid proposals shall be firm for a period of 60 days to allow the evaluation committee to fully evaluate all proposals and make an award deemed to be in the best interest of IRHTP.

1.2.6.3 By submitting a bid proposal the Vendor agrees to the terms and conditions contained within this RFP.

1.3 Proposal Submission & Format.

1.3.1 Bid Proposals shall be printed on 8.5" x 11" paper. The proposals should be in 3-ring binders with appropriate tabs for reference. The original bid proposal must be in a package CLEARLY MARKED "IRHTP RFP 08-001 Proposal" on the outer envelope or wrapping. This is necessary to insure that the response package is handled properly for verification against the RFP deadline. Lack of notation of the RFP number may affect the receipt timing and affect the evaluation process. Vendor should consider this item as a critical factor when submitting a response.

1.3.2 To achieve a uniform review process and the maximum degree of comparability, proposals shall be organized in the following manner:

1.3.2.1 **Title page** that includes the subject of the bid proposal, the RFP number being responded to (08-001), name of Vendor, address, name of designated contact person, telephone number, facsimile telephone number, E-mail address for Vendor's contact person (and, if applicable, the cellular telephone number of contact person) and the date

1.3.2.2 **Completed Bid Proposal Compliance Form (Attachment 2).**

1.3.2.3 **Completed Authorization to Release Information Form (Attachment 3).**

1.3.2.4 **Completed Bid Proposal Submittal Forms (Attachment 4 Part I and/or Part II).**

1.3.2.5 **Completed Indefeasible Right of Use (IRU) Form (Attachment 5).**

1.3.3 **Number of Copies.** Vendors shall submit one (1) with original blue-ink signatures and three (3) copies; in addition four (4) soft copies of the bid proposal shall be provided on (4) CDs using Microsoft Word and Excel, if proposal contains spreadsheets.

1.4 Clarification of Proposals and Obtaining Information. IRHTP reserves the right to contact a Vendor after submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. This contact may include written questions, interviews, site visits, and a review of past performance if the Vendor has provided goods or services to the IRHTP or its consortium members, USAC, or the ICN or requests for corrective pages in the Vendor's bid proposal. This information may be used to evaluate the Vendor's bid proposal. However, the information received from the Vendor shall not be considered in the evaluation of a Vendor's bid proposal if the information materially alters the content of the bid proposal. IRHTP reserves the right to obtain information concerning any Vendor or any proposal from any source and to consider such information in evaluating the Vendor's bid proposal.

1.5 Waiver of Deficiencies. IRHTP reserves the right to waive minor deficiencies in a bid proposal if, in the judgment of IRHTP, the consortium's best interest will be served. The decision as to whether a deficiency will be waived or will require the rejection of a bid proposal will be solely within the discretion of IRHTP. There is no guarantee or assurance that any deficiency will be deemed minor and that a deficiency will be waived. Each Vendor is specifically notified that failure to comply with or respond to any part of this RFP requiring a response may result in rejection of the bid proposal as not responsive.

1.6 Cost of Bid Proposal. IRHTP is not responsible for any costs incurred by a Vendor, which are related to the preparation or delivery of the bid proposal, or any other activities carried out by the Vendor as it relates to this RFP. The costs of preparation and delivery of the bid proposal are solely the responsibility of the Vendor.

1.7 Bid Proposal Obligations. The contents of the bid proposal and any clarification thereto submitted by the successful Vendor shall become part of the contractual obligation and incorporated by reference into the ensuing Contract.

1.8 Bid Proposals Property of IRHTP. Except as otherwise stated herein, all bid proposals become the property of the IRHTP and shall not be returned to the Vendor unless all bid proposals are rejected. In the event all bid proposals are rejected, Vendors will be asked to send prepaid shipping instruments to the IRHTP for return of the bid proposals submitted. In the event no shipping instruments are received by the IRHTP, the bid proposals will be destroyed by the IRHTP. Additionally, the evaluation documents created by the IRHTP will be destroyed in the event all bid proposals are rejected. Otherwise, at the conclusion of the selection process, the contents of all bid proposals may be placed in the public domain and be opened to inspection by interested parties subject to appropriate FCC, USAC, and federal procurement regulations.

1.9 Rejection and Disqualification of Bid Proposals.

1.9.1 IRHTP reserves the right to reject any and all bid proposals, in whole and in part, received in response to this RFP at any time prior to the execution of a written Contract. Issuance of this RFP in no way constitutes a commitment by IRHTP to award the Contract. This RFP is designed to provide Vendors with the information necessary for the preparation of competitive bid proposals. This RFP process is for IRHTP's benefit and is intended to provide IRHTP with competitive information to assist in the selection of goods and services.

1.9.2 The IRHTP may reject a bid proposal outright and not evaluate the proposal for any one (1) of the following reasons:

1.9.2.1 Failure of Vendor to deliver the bid proposal by the due date and time.

1.9.2.2 Failure to include the Bid Proposal Compliance Form signed by an officer of the Vendor submitting the bid proposal (Attachment 2).

1.9.2.3 Failure to include the Authorization to Release Information Form (Attachment 3).

1.9.2.4 Failure to include a completed Bid Proposal Submittal Form (Attachment 4).

1.9.2.5 The Vendor states that a technical requirement cannot be met.

1.9.2.6 The Vendor's response materially changes a technical requirement.

1.9.2.7 The Vendor's response limits the rights of the IRHTP.

1.9.2.8 The Vendor fails to respond to the IRHTP's request for information, documents, or references.

1.9.2.9 The Vendor's exceptions to the contract terms and conditions described in Chapter 2 and Attachment 1 (Contractual Terms and Conditions) materially changes the terms and conditions of that section or the requirements of this RFP.

1.9.2.10 The Vendor provides misleading or inaccurate responses.

1.9.2.11 The Vendor's proposal is materially unbalanced.

1.10 Public Records and Requests for Confidentiality.

1.10.1 The release of information by IRHTP to the public is subject to appropriate FCC, USAC, federal procurement regulations, and other applicable provisions of law relating to the release of records in the possession of the IRHTP. Vendors are encouraged to familiarize themselves with these provisions prior to submitting a bid proposal. All information submitted by a Vendor may be treated as public information by IRHTP unless the Vendor properly requests that information be treated as confidential at the time of submitting the bid proposal. **In the event the Vendor marks each page of its bid proposal as proprietary or confidential without adhering to the requirements of this Section, the IRHTP may reject the bid proposal as noncompliant.**

1.10.2 Any requests for confidential treatment of information must be included in a cover letter with the Vendor's bid proposal and must enumerate the specific grounds which support treatment of the material as confidential and must indicate why disclosure is not in the best interests of the public. The request must also include the name, address and telephone number of the person authorized by the Vendor to respond to any inquiries by IRHTP concerning the confidential status of the materials.

1.10.3 Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the proposal submitted, as well as the original proposal, must be marked in this manner. **Failure to properly mark information as confidential shall relieve the IRHTP from any responsibility if the information is viewed by the public, a competitor, or is any way accidentally released.**

1.10.4 In addition to marking the material as confidential material where it appears, the Vendor must submit one (1) hard copy (printed) of the bid proposal from which the confidential information has been excised. This hard copy of the proposal MUST be clearly marked as "Excluding Confidential Materials". In addition to a hard copy, the Vendor must also include an electronic copy of the non-confidential portions of the proposal on CD-ROM using Microsoft Word and Excel as appropriate. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. The excised version must be submitted with the cover letter and may be made available for public inspection. This submittal is a mandatory requirement and is not subject to waiver. Failure to mark the confidential items and to provide the required one (1) copy with confidential information excised shall be defined as allowance for the entire proposal to be treated as a public record.

1.10.5 The Vendor's failure to request in the bid proposal confidential treatment of material pursuant to this Section and the relevant laws and administrative rules will be deemed by IRHTP as a waiver of any right to confidentiality which the Vendor may have had.

1.11 Restrictions on Gifts and Activities. No gifts or other activities will be accepted.

1.12 Restriction on Communication. Vendors should funnel all communications thru the Project Coordinator in order to receive the highest quality response from the consortium. Please refer to Chapter 2, section 1.2.2 regarding questions and answers.

1.13 Nonmaterial and Material Variances. The IRHTP reserves the right to waive or permit cure of nonmaterial variances in the bid proposal if, in the judgment of the IRHTP, it is in the IRHTP's best interest to do so. Nonmaterial variances include minor informalities that do not affect responsiveness; that are merely a matter of form or format; that do not change the relative standing or otherwise prejudice other Vendors; that do not change the meaning or scope of the RFP; or that do not reflect a material change in the services. In the event the IRHTP waives or permits cure of nonmaterial variances, such waiver or cure will not modify the RFP requirements or excuse the Vendor from full compliance with RFP specifications or

other contract requirements if the Vendor is awarded the contract. The determination of materiality is in the sole discretion of the IRHTP

1.14 Copyrights. By submitting a bid proposal, the Vendor agrees that IRHTP may copy the bid proposal for purposes of facilitating the evaluation or to respond to requests for public records. The Vendor consents to such copying by submitting a proposal and warrants that such copying will not violate the rights of any third party. IRHTP will have the right to use ideas or adaptations of ideas, which are presented in the proposals. In the event the Vendor copyrights the bid proposal, the IRHTP may reject the bid proposal as noncompliant.

1.15 Conflict Between Terms. IRHTP reserves the right to accept or reject any exception taken by the Vendor to the terms and conditions of this RFP. Substantial variations between the Vendor's terms and conditions and those contained in this RFP may be grounds for rejection of the Vendor's bid proposal as non-responsive and non-compliant.

1.16 Release of Claims. With the submission of a bid proposal, Vendor agrees that it will not bring any claim or have any cause of action against IRHTP or its consortium members based on any misunderstanding concerning the information provided herein or concerning IRHTP's failure, negligent or otherwise, to provide the Vendor with pertinent information as intended by this RFP.

1.17 Construction of RFP with Laws and Rules. Changes in applicable laws and rules may affect the award process or the resulting Contract. Vendors are responsible for ascertaining pertinent legal requirements and restrictions. Vendors are encouraged to visit the USAC Rural Health Care Pilot Project website: <http://www.usac.org/rhc-pilot-program> and the FCC website, <http://www.fcc.gov/cgb/rural/rhcp.html#orders>.

1.18 RFP Copy. Copies of the RFP will be available on the USAC Rural Health Care Pilot Program web site at <http://www.usac.org/rhc-pilot-program/tools/search-postings.aspx>. In addition the RFP will also be available to vendors via the Iowa Hospital Association web site at <http://www.ihonline.org>. Vendors may also request a copy of the RFP electronic copy by contacting the Iowa Hospital Association (515) 288-1955 (copy requested will be issued via e-mail).

1.19 Downloading RFP from the Internet. The RFP, Amendments, and all responses to Vendor questions will be posted on the Iowa Hospital Association web site at <http://www.ihonline.org>. Vendors are advised to check the IHA website periodically for amendments to this RFP as Vendors will not automatically receive Amendments and responses.

1.20 Definition of Contract. The full execution of a written contract shall constitute the making of a contract for services and no Vendor shall acquire any legal or equitable rights relative to the contract services until the Contract has been fully executed by the successful Vendor and the IRHTP.

1.21 Award Notice and Acceptance Period. The IRHTP will send an "Award Notice" to all Vendors submitting a timely bid proposal. Negotiation and acceptance of the contracts shall be completed with the successful Vendor no later than sixty (60) days after the Award Notice. If an apparent successful Vendor fails to negotiate and deliver the executed contract by that date, the IRHTP may, in its sole discretion, cancel the award and award the contract to the next highest ranked Vendor. The IRHTP reserves the right to continue negotiations after sixty days if, in IRHTP's sole discretion, IRHTP deems it to be in the best interests of IRHTP to do so.

1.22 No Minimum Guaranteed. The IRHTP anticipates that the selected Vendor will provide services as requested by the IRHTP. The IRHTP will not guarantee any minimum compensation will be paid to the Vendor or any minimum usage of the Vendor's services.

1.23 Criminal History and Background Investigation. The IRHTP reserves the right to conduct criminal history and other background investigations of the Vendor, its officers, directors, shareholders, or partners and personnel retained by the Vendor for the performance of the Contract.

1.24 Suspension and Debarment. IRHTP may review all vendors responding to this RFP to validate them against the FCC's Suspension and Disbarment list <http://universalservice.org/sl/about/suspensions-debarments.aspx>,

Persons who have been convicted of criminal violations or held civilly liable for certain acts arising from their participation in the Schools and Libraries Support Mechanism are subject to suspension and debarment from the program.

FCC rules provide that there are two stages to this process. First, when the FCC becomes aware that a person has been convicted of a crime or judged civilly liable for certain acts arising out of that person's participation in the program, the FCC suspends that person from activities related to the program. The FCC issues a public Notice of Suspension and of Proposed Debarment. The notice of suspension informs the suspended person or other interested party that they have 30 days to oppose the proposed debarment. The second stage of this process is the actual debarment. The FCC will, absent extraordinary circumstances, provide notice of a decision to debar within 90 days of receiving any information from the person proposed for debarment

CHAPTER 2
CONTRACTUAL TERMS
RFP 08-001

2.1 Contractual Terms Generally.

2.1.1 The Contract, which the IRHTP expects to award, will be based upon the bid proposal submitted by the successful Vendor (Vendor awarded the Contract) and this solicitation. The Contract between the IRHTP and the Vendor shall be a combination of the specifications, terms and conditions of the Request for Proposal, including those contained in the contract terms and conditions sample agreement identified as Attachment 1, (Contractual Terms and Conditions), the offer of the Vendor contained in its bid proposal, written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by the IRHTP.

2.1.2 The Contract terms contained in Attachment 1 (Contractual Terms and Conditions) are not intended to be a complete listing of all Contract terms but are provided only to enable Vendors to better evaluate the costs associated with the RFP and the potential resulting Contract. Vendors should plan on such terms being included in any Contract awarded as a result of this RFP. All costs associated with complying with these requirements should be included in any pricing quoted by the Vendor.

2.1.3 By submitting a bid proposal, each Vendor acknowledges its acceptance of these specifications, terms and conditions without change except as otherwise expressly stated in the appropriate section of the Bid Proposal Compliance Form (Attachment 2). If a Vendor takes exception to a provision, it must state the reason for the exception and set forth in Attachment 2 of its bid proposal the specific Contract language it proposes to include in place of the provision. Exceptions that materially change these terms or the requirements of the RFP may be deemed non-responsive by the IRHTP, in its sole discretion, resulting in possible disqualification of the bid proposal. The IRHTP reserves the right to either award a Contract without further negotiation with the successful Vendor or to negotiate Contract terms with the selected Vendor if the best interests of the IRHTP would be served.

2.2 Additional Cost Items Not In Contract. IRHTP is unaware of any additional Contract terms that would add cost. Notwithstanding, should any Contract items arise that would cost additional monies; those costs shall be borne by the Vendor.

2.3 Fiber Optic Cable Installation Delivery Schedule. The Fiber Optic Cable installation schedule shall be as agreed upon between the successful Vendor and the IRHTP during the contract negotiation process.

Additional Vendor Information

The FCC's Fourteenth Order on Reconsideration (CC Docket No. 96-45, FCC 99-256, 11/3/1999) stipulated that telecommunications carriers are no longer required to be Eligible Telecommunications Carriers (ETC's) to participate in this program. All non-traditional telecommunications service providers may participate. Service providers intending on responding to this RFP must secure a Service Providers Identification Number (SPIN) from USAC. See the USAC website for details on how to secure a SPIN.

2.4 Bid Proposal Security & Performance Bond. Not Required

2.5 Vendor must acquire USAC SPIN and provide on Bid Proposal Compliance Form

2.6 Debarment, Suspension and Other Responsibility Matters. The Vendor and all of its sub-contractors shall certify that the company or corporation is not presently, or within the last three years, debarred, suspended, proposed for suspension, declared ineligible, or excluded from covered transactions by any government agency; or has not been reported to or questioned by a consumer protection office regarding its business practices; or it or its officers or directors are not presently or within the last three years, indicted for or otherwise criminally or civilly charged by a government entity for the commission of a public offense related to its business; or has not, within the last three years, had any government transactions terminated for cause or default; or within the last three years, has been terminated from or denied extension of a contract for any of the reasons above in addition to the Vendor's failure to maintain compliance of contract specifications or has failed to bargain or negotiate in good faith, conflicts not clearly specified or contained in the contract.

CHAPTER 3 – Part I
TECHNICAL SPECIFICATIONS
RFP 08-001

MANDATORY NETWORK REQUIREMENTS

3.0 Mandatory Requirements. The purpose of this Section is to identify the mandatory requirements and conditions a bid proposal **must** fulfill before any consideration will be given. Each mandatory requirement requires a positive response by providing confirmation of compliance and information describing how the Vendor doesn't meet, meets or exceeds the mandatory requirement. **VENDOR MUST RESPOND TO ALL SECTIONS (AND SUB-SECTIONS) OF CHAPTER 3 TO HAVE ITS BID PROPOSAL CONSIDERED.**

- 3.0.1 Vendor shall provide the following general background information of Vendor.
- 3.0.2 Name, address, telephone number, fax number and e-mail address of the Vendor including all d/b/as' or assumed names or other operating names of the Vendor.
- 3.0.3 Form of business entity, i.e., corporation, partnership, proprietorship, limited Liability Company.
- 3.0.4 State of incorporation (if a corporation). If a limited liability company, state of formation.
- 3.0.5 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this RFP.
- 3.0.6 Local office addresses and phone number.
- 3.0.7 Number of employees.
- 3.0.8 Type of business.
- 3.0.9 Name, address and telephone number of the Vendor's representative to contact regarding all contractual and technical matters concerning this proposal.
- 3.0.10 Name, address and telephone number of the Vendor's representative to contact regarding scheduling and other arrangements.
- 3.0.11 Identify the Vendor's accounting firm.
- 3.0.12 The successful Vendor will be required to register to do business in Iowa. If already registered, provide the date of the Vendor's registration to do business in Iowa.
- 3.0.13 Vendor must provide the following legal or administrative information.
 - 3.0.13.1 During the last five (5) years, describe any damages or penalties or anything of value traded or given up by Vendor under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason for the penalty or exchange of property or services and the estimated account of the cost of that incident to the Vendor.
 - 3.0.13.2 During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Vendor to engage in any business, practice or activity.

3.1 Link-Segments.

- 3.1.1 A link-segment is defined as the fiber optic facility beginning at the health care providers (HCP) termination and continuing on until terminated at the designated ICN endpoint.
- 3.1.2 Each link-segment constructed or provided as part of this project must be engineered and tested for a minimum of one gigabit of throughput from the local rural hospital to the specified ICN POP.
- 3.1.3 Precise room and/or exact building located on contiguous property will be specifically defined at the time of contract negotiations. The successful vendor must agree to permit such minor end point location adjustments without cost impact to the consortium.

3.1.4 In the event there are changes in end point locations, which occur during installation, all actual end point locations will be compared to all proposed end point locations to determine the aggregate difference. The end point aggregate difference will be the basis for negotiated cost adjustments (increase or decrease) between the vendor and the consortium.

3.1.5 The ICN POP locations are all existing and defined locations. In each instance, there are, in most cases, ductwork entry facilities where the property line meets the ROW. When available, the Vendor must use this access point to make entry into the ICN's POP.

3.2 Outside Plant (OSP) Construction Specifications. All new fiber optic cable facilities (link-segment) designed and constructed as part of this project must be constructed in accordance with the OSP construction specifications as attached to this RFP.

3.2.1 Fiber installed must meet SMF-28/GR/253 fiber specifications with a minimum fiber count of any new constructed fiber optic facility of 36 fibers.

3.2.1.1 Armored Fiber Optic Cable

3.2.1.2 Single Jacket

3.2.1.3 Loose Tubes, Three tubes of 12 fibers each (Dri-Core)

3.2.1.4 36 total fibers

3.2.1.5 Color-coded Buffer Tubes

3.2.2 Non-Armored Cable (Kevlar) Kevlar Cable must be in duct and must include a #10 AWG tracer wire inside the duct.

3.2.3 All fiber placed within the incorporated city limits should be placed in continuous 2" HDPE.

3.3 Fiber Optic Cable Method of Termination Specifications. All fiber optic cable facilities furnished as part of this project must be terminated in accordance with Detailed Specifications. Unless otherwise stated, the vendor shall terminate all fiber optic cable on either rack-mounted bulkheads or wall-mounted Fiber Distribution Panels (FDPs), furnished by the vendor located inside the HCPs equipment room. All vendor provided rack mounted bulkheads or FDPs shall be equipped with SC style connectors. Where HCPs have designated cable demarcation rooms separate from the equipment room, contractors may request a waiver from the IRHTP Project Coordinator to allow them to terminate in the demarcation room. Vendor shall furnish the appropriate SMF from the rack mounted Bulkhead Panel or the FDP to the HCP's equipment rack.

3.3.1 Rack Mounted FDP at each hospital shall be:

CORNING Closet Connector Housing
CCH-01U (or approved equivalent)

3.3.2 Wall Mounted FDP if required for a hospital demarcation shall be:

CORNING Wall Mountable Connector Housing
WCH-02P (or approved equivalent)

3.3.3 Rack Mounted FDP at each ICN POP shall be:

CORNING Closet Connector Housing
CCH-04U (or approved equivalent)

3.3.4 Splice all fibers. There must be continuity of all 36 fibers from Location A through to location Z. Each fiber must be tested end for end. (See Chapter 3 Annex B Section 7 Clause 9.3.2)

3.3.5 Terminate fibers. The Vendor shall terminate two (2) pair [four fibers] at the "A" location and the same two pairs [four fibers] at the "Z" location.

3.4 Fiber Jumpers. Vendor shall provide the following singlemode fiber patch cables.

3.4.1 SC to SC Duplex Singlemode Fiber Patch Cord – 2 meters: Quantity 100

3.4.2 SC to SC Duplex Singlemode Fiber Patch Cord – 5 meters: Quantity 152

3.4.3 SC to SC Duplex Singlemode Fiber Patch Cord – 10 meters: Quantity 304

3.4.4 SC to SC Duplex Singlemode Fiber Patch Cord – 15 meters: Quantity 35

3.5 Vendor Responsibilities.

3.5.1 Vendor shall provide all OSP materials, labor, and services needed to install a fiber optic facility between the points listed in Chapter Three, Annex A & D, (Site Maps and Information). Installation is construed to mean, all digging, trenching, plowing or boring as needed for the placement of a 36-count fiber optic cable between the "A" location and the "Z" location. The installation shall also include all hand holes, tubs, connectors, splicing, terminations, pigtails, landscape and road restoration, and testing.

3.5.2 The contractor duties include acquiring city, county and state permits, securing all outside plant materials to complete the project, submitting red-lined construction drawings per site, documenting all fiber testing, and coordinating other related issues with the consortiums project manager. Contractor is responsible for all One-Call notifications.

3.5.3 Upon notice by the Vendor that each link-segment is ready for testing and acceptance, a representative of the IRHTP will jointly with the vendor, complete the checklist as shown as Chapter Three, Annex C, (Link-Segment Completion Checklist). The vendor, when submitting for payment, will submit the completed and signed copy of the checklist.

3.5.4 The vendor shall test each link-segment from location A bulkhead to the location Z bulkhead using appropriate and approved makes and models of test equipment. Vendor shall perform an Optical Time Domain Reflectometer sweep of the cable showing the total loss in db for the end-to-end link segment. Prior to testing, the vendor shall submit the list (make, model, and date of last calibration), of the proposed test equipment to the IRHTP project coordinator.

(See Detailed Specifications Part Seven (7) Clause 9.)

3.6 Local Rural Hospital. IRHTP has designated a local on-site coordinator at each participating hospital. The on-site coordinator will specify the route of the fiber path from the point it leaves the public ROW and enters the Hospital grounds. The on-site coordinator will also designate the location of the fiber termination within the building. The fiber will be either terminated on rack-mounted bulkheads or wall-mounted fiber optic distribution boxes depending upon the circumstances of the specific location. The Vendor shall furnish any required bulkheads or FDP's with SC Connectors.

All fiber from the Public ROW to the hospital penetration shall be placed in continuous 2" or greater HDPE.

Fiber in HDPE can be Kevlar but must be accompanied by a #10 AWG stranded copper wire inside the duct. At the vendor's discretion, armored fiber can be placed in the duct in lieu of Kevlar accompanied by the tracer wire

3.7 ICN Endpoints. At each ICN endpoint there will be an existing fiber hand hole or tub to facilitate the Vendor pulling the fiber into the existing ductwork. An ICN OSP Technician will supervise this entry into the tub and ductwork. The Vendor will terminate the fiber on rack-mounted bulkheads with SC style connectors or as otherwise specified by the ICN and furnished by the Vendor. Vendors must coordinate the ICN endpoint installation date with the ICN OSP Engineer.

3.8 Change Orders. The vendor must submit a firm fixed price for each site bid. There are no funds set aside or budgeted for contingencies or change orders. In the event a situation arises that is out of control of the vendor, he shall immediately notify the IRHTP Project Coordinator of the dilemma and the cost to overcome the problem. The IRHTP Project Coordinator will research the alternatives and resources available to see if the issue can be resolved.

3.9 Value Engineering. If after the award of a link-segment contract to a vendor, the vendor determines that there exists an opportunity to increase the value of a link-segment by modifying or changing the route as was depicted on an approved construction drawing, the IRHTP will consider that change even though the change may increase overall cost. The IRHTP is not bound to accept any Value Engineering proposals. Examples of Value Engineering are, but not limited to: "share the trench" or "share the duct" opportunities, newly identified IRU opportunities for part or all of the link-segment route, future risk mitigation to the fiber optic cable facility, permit or ROW issue mitigations, or changing a route to pickup an additional health care provider building or location.

3.10 Hospitals not requiring a last mile build-out. The following six hospitals listed in this RFP do not currently require a fiber build or modification:

3.10.1 Madison County Health Care System in Winterset, Iowa

3.10.2 Mercy Capitol in Des Moines, Iowa

3.10.3 Mercy Medical Center – Centerville in Centerville, Iowa

3.10.4 Ottumwa Regional Health Center in Ottumwa, Iowa

3.10.5 University of Iowa Hospitals and Clinics in Iowa City, Iowa

3.10.6 Wayne County Hospital in Corydon, Iowa

3.11 Hospital Relocations. During the next three years, the following hospitals will be relocating:

Hospital	New Location
Mercy Capitol (Westlakes), Des Moines, IA	1601 60 th Street, West Des Moines, IA 50266
Story County Medical Center, Nevada, IA	640 S. 19 th Street, Nevada, IA 50201
Ringgold County Hospital, Mount Ayr, IA	504 N. Cleveland, Mount Ayr, IA 50854
Jefferson County Hospital, Fairfield, IA	2000 So. Main, Fairfield, IA 52556
Hamilton Hospital, Webster City	100 Fair Meadow Drive, Webster City, IA
Clarinda Regional Health Center, Clarinda, IA	Farrens 3 rd lot 3 Parcel D Fraction 1-68-37, Hwy 71 & Bypass 2, Clarinda, IA
Crawford County Memorial Hospital in Denison, IA	To be Determined
Baum-Harmon Mercy Hospital in Primghar, IA	To be Determined

CHAPTER 3 – PART II
QUALITY ASSURANCE INSPECTIONS SERVICES
RFP 08-001

3.12 Overview of Project Responsibilities

3.13 General: The IRHTP is soliciting a vendor to provide Quality Assurance Inspection Services in the field to oversee the quality control of OSP contractor(s) installing the fiber optic facilities requested under this RFP 08-001. Over the next three calendar years, it is estimated that fiber optic cable facilities will be constructed in as many as 94 communities and locations in the State of Iowa. The fiber optic cable facility construction projects range in length from 1000 feet to 22 miles. The preponderance of the projects is less than five miles in length.

3.14 Estimated Schedule: The estimated number of sites being constructed each calendar year is as follows:

Oct 2008 through Dec 31 2008	5 sites
Jan 2009 through Dec 31, 2009	57 sites
Jan 2010 through Dec 31, 2010	33 sites

The actual number of sites constructed will depend upon the prevailing weather each year and the progress of new hospitals planned for construction

3.15 Intermittent Schedule: The schedule of implementation of this project is impacted by a number of factors; weather, the negotiated contract schedule with the winning OSP contractor, progress in hospitals under construction, funding timelines, and permitting issues:

- 3.15.1 The typical OSP construction year in Iowa is March through November. Depending on the particular site schedule, construction may start earlier or extend past the typical dates.
- 3.15.2 A Vendor desiring to provide these Quality Assurance Services must consider the above factors when sizing and planning the deployment of the SI (site inspector) workforce.

3.16 Number of Simultaneous Projects underway: It is anticipated that there will be no more than 10 OSP Construction projects underway at any one time.

3.17 Eligible Vendors

3.17.1 Any qualified Vendor may bid on Part I (the construction of the network as described in this RFP) or Part II, (the Quality Assurance Inspection Services) but the Vendor will not be awarded both Parts.

3.17.2 Any qualified Vendor may submit a bid for Part II, but IRHTP will not award a contract if the Vendor has any business relationship with the Vendor awarded Part I of this RFP.

3.18 Vendor Qualifications:

3.18.1 The vendor shall be a knowledgeable Outside Plant construction firm and shall have been in the business of Outside Plant Construction for at least five years, (or) shall be an Iowa registered consulting firm employing or retaining a registered professional civil engineer on staff with five years experience in the design and construction of fiber optic cable facilities.

3.18.2 Vendors shall submit a narrative describing their firm, the scope of its experience in the area of OSP Fiber Optic Cable construction, and a resume` of the experience and qualifications of the Engineer assigned to this project.

3.19 Site Inspectors

3.19.1 Site Inspector Qualifications: Only knowledgeable and experienced OSP Field Personnel (Site Inspectors) with five years practical experience in the field of OSP Fiber Optic Cable installation will be accepted as qualified site inspectors. The vendor must employ knowledgeable and experienced OSP Field Personnel. Field personnel must be personally supervised by the Vendor's registered engineer or by a designated Supervisor, approved by the IRHTP Project Coordinator.

3.19.2 IRHTP Approval of all Site Inspectors: The Vendor shall submit resumes to the IRHTP Project Coordinator for all site personnel who will be employed by the Vendor for this project. The IRHTP will pay particular attention to the practical experience and training of each SI submitted for approval. The IRHTP must approve each site inspector before he/she can be deployed on this project. The IRHTP reserves the right to at any time dismiss inspectors for nonperformance.

3.19.3 Level of Oversight: The OSP Field Personnel (site inspectors) shall provide continuous oversight at each construction location any time the contractor is working on site. The vendor providing services under this RFP will receive a minimum of 48 hours notice from the Contractor prior to commencement of work at each particular site.

3.19.4 Progress Reporting: The site inspector shall provide a project progress report at the COB each Thursday. The Vendor, in turn, will meet with the IRHTP designated representative each Friday of every project workweek to provide appropriate updates. The IRHTP Project Coordinator will prescribe the report format and how this report will be communicated.

3.20 Services Requested

3.20.1 Examples of Quality Assurance Services Requested: The following are examples of, but not limited to, the types of quality assurance service requested. This is a partial list and does not limit the site inspector's responsibility. The site inspector is expected to rely on training and experience to guide performance.

3.20.1.1 The site inspector (SI) shall act as the HCP's representative during the phases of building penetration and cable placement upon the HCP's property.

3.20.1.2 The SI shall carefully monitor the installation of the inside fiber facilities within the HCP's building to ensure that construction does not interfere with Hospital Operations. SI shall act as the primary interface between the HCP's designated representative and the Contractor's personnel.

3.20.1.3 The SI shall verify that all permits and easements are in place before the Contractor begins work.

3.20.1.4 The SI shall verify all necessary barricades and signs are in place before the Contractor commences work.

3.20.1.5 The SI shall act as the Safety Officer over all work being performed under this contract in a particular community. SI shall stop work immediately anytime an unsafe condition is discovered and report situation at once to IRHTP Project Coordinator. The SI shall maintain vigilance for traffic control issues and traffic circulation problems and resolve them as soon as possible.

3.20.1.6 The SI shall verify all bore, plow, and trenching depths to ensure they are in conformance with Chapter 3 Annex B.

3.20.1.7 The SI shall be knowledgeable of and responsible for compliance with all of the detailed specifications in Chapter 3 Annex B pertaining to OSP construction being done under this RFP.

3.20.1.8 The SI in concert with the IRHTP OSP Manager, shall supervise all entry into IRHTP Cable vaults, hand holes, pulling tubs, duct banks, and IRHTP FOTs rooms.

3.20.1.9 The SI shall witness all testing as required in Chapter 3 Annex B Part 7.

3.20.1.10 The SI shall verify that all construction drawings are redlined in accordance to the actual route constructed.

3.20.1.11 The SI shall note all pre-existing route conditions (such as cracked pavement, washouts, rocky areas not supporting grass, and document them with a digital camera.

3.20.1.12 The SI shall maintain vigilance for traffic control and traffic circulation problems and resolve them as soon as possible.

3.21 Executive Summary

3.21.1 Content of Executive Summary. The vendor shall prepare an executive summary and overview of the services being offered, including all of the following information:

3.21.1.1 Statements that demonstrate that the vendor understands and agrees with the terms and conditions of the RFP and the proposed contract.

3.21.1.2 A vision and mission statement for service as requested in the RFP.

3.21.1.3 An overview of the vendor's plans for timely delivery of services (including project management approach).

3.21.1.4 An overview of the vendor's knowledge of requirements and its proposed approach for delivering results.

3.21.2 Work Plan

3.21.2.1 The vendor shall address each deliverable and performance measure in Section 3 of the RFP. Proposals must be fully responsive to project requirements. Merely repeating the requirements will be considered non-responsive and may disqualify the vendor.

3.21.2.2 Proposals must identify any deviations from the requirements of this RFP or requirements the vendor cannot satisfy. Any deviations from the requirements of the RFP or any requirement of the RFP that the vendor cannot satisfy may disqualify the vendor.

3.21.3 Background Information. The vendor shall provide the following general background information:

3.21.3.1 Name, address, telephone number, FAX number and e-mail address of the vendor including all operating names as well as those doing business as (d/b/a) and assumed names of the vendor.

3.21.3.2 Form of business entity, i.e., corporation, partnership, proprietorship, limited liability company.

3.21.3.3 State of incorporation, state of formation, or state of organization.

3.21.3.4 Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the vendor's performance under the terms of this RFP.

3.21.3.5 Local office address and phone number (if any).

3.21.3.6 Number of employees per each location.

3.21.3.7 Type of business.

3.21.3.8 Name, address and telephone number of the vendor's representative to contact regarding all contractual and technical matters concerning this proposal.

3.21.3.9 Name, address and telephone number of the vendor's representative to contact regarding scheduling and other arrangements.

3.21.3.10 Name and qualifications of any subcontractors who will be involved with this project.

3.21.3.11 Identify the vendor's accounting firm.

3.21.3.12 The successful vendor will be required to register to conduct business in Iowa. If already registered, provide the date of the vendor's registration to conduct business in Iowa and the name of the vendor's registered agent.

3.21.4 Company Experience. Vendor must provide the following information regarding its experience:

3.21.4.1 Number of years in business.

3.21.4.2 Number of years experience with providing the types of services sought by the RFP.

3.21.4.3 Describe the level of technical experience in providing the types of services sought by the RFP.

3.21.4.4 List all services similar to those sought by this RFP that the vendor has provided to other businesses or governmental entities within the last five years (include dates of service).

3.21.4.5 Past Outside Plant Construction Experience. List contact references from three (3) successful past or present clients knowledgeable of the vendor's performance in providing outside plant construction services or civil engineering services to governmental jurisdictions, state or regional, with buried fiber optic cable networks. All referenced projects shall have been completed in the last five (5) years. Include a contact person, title, project responsibilities and telephone number for each reference.

3.21.4.6 Personnel. The vendor must provide resumes for all key personnel, as defined in Section 3, involved in providing the services discussed in this RFP. The following information must be included in the resumes:

3.21.4.6.1 Full name.

3.21.4.6.2 Education.

3.21.4.6.3 Years of experience and employment history, particularly as it relates to the scope of services specified herein.

3.21.5 Financial Information. The vendor must provide the following financial information.

3.21.5.1 Audited financial statements (annual reports) for the last two (2) years.

3.21.5.2 A minimum of two (2) financial references.

3.22 Firm Fixed Price.

3.22.1 The Vendor providing the Quality Assurance Inspection Services shall submit one firm fixed price for the oversight inspection of these 94 sites over a three-year period.

3.22.2 The firm fixed price must include not only the fee, but all other costs such as travel, lodging, meals, communications, office supplies, and other specific requirements to do the job.

3.22.3 Bid responses containing only an hourly rate plus expenses will not be considered by the IRHTP. The bid response must contain the total three year costs and expenses.

3.23 Award Process.

3.23.1 An evaluation committee assigned by personnel within the IRHTP will review the bid proposals. The evaluation committee will consider all information provided when making its recommendations and may consider relevant information from other sources.

3.23.2 The IRHTP evaluation committee will make a recommendation to the IRHTP Steering Committee indicating the committee's choice. The Project Coordinator on behalf of the Steering Committee will issue an Award to the Vendor or Vendors and begin contract negotiations. All Vendors submitting Bid Proposals will receive notification of the award.

3.23.3 All applicable contracting requirements imposed by this RFP and Iowa law shall be met by the Vendor. The successful Vendor must, within sixty (60) days, enter into a Contract with the IRHTP to implement the service contemplated by this RFP. Failure of a successful Vendor to agree to the terms of a Contract within a timely manner may be grounds for the IRHTP to award to the next compliant Vendor.

3.24 Bid Response Evaluation Criteria.

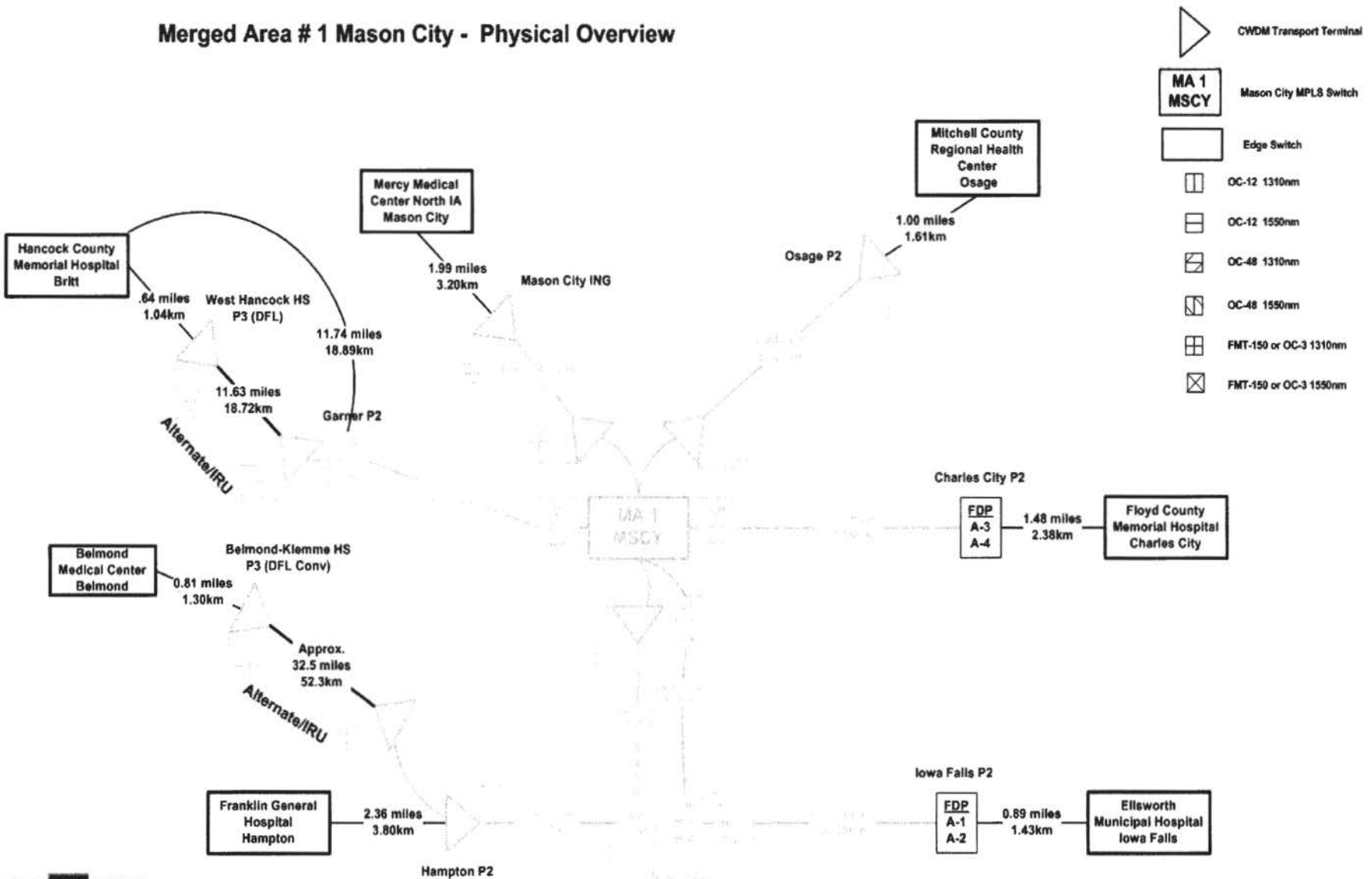
3.24.1 The IRHTP may award a Contract to the most responsible Vendor meeting the requirements of this RFP and which, in the sole discretion of the IRHTP, provides the best value to the project after considering price and compliance with the provisions of Chapter 3. Part II.

3.24.2 The Part II award will not be made until a Part I Vendor is chosen and a contract signed.

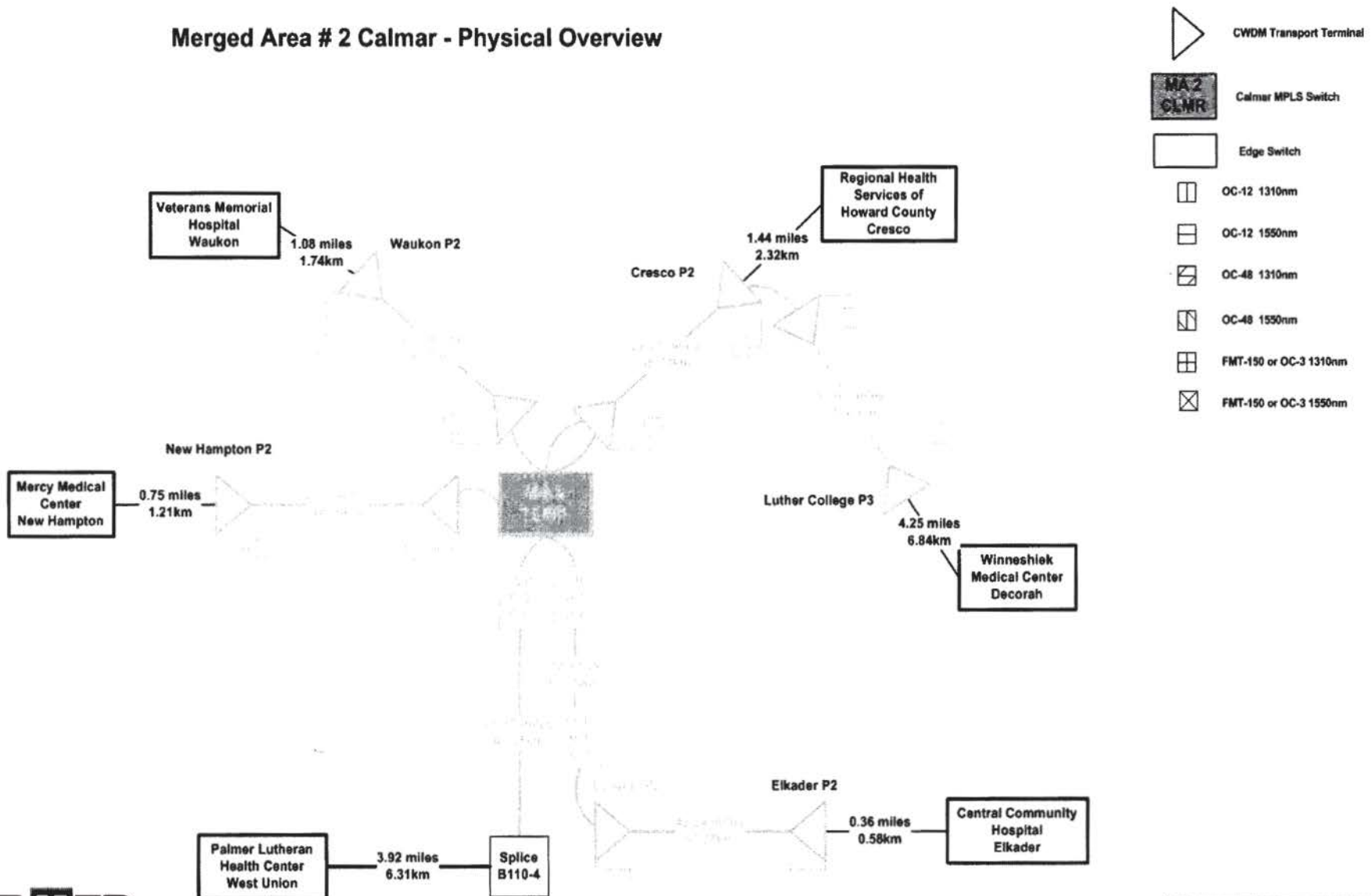
3.24.3 The IRHTP will do an in-depth due diligence to ensure that there are no conflicts of interest between the Part I and Part II Vendors.

ANNEX A
NETWORK MAPS
RFP 08-001

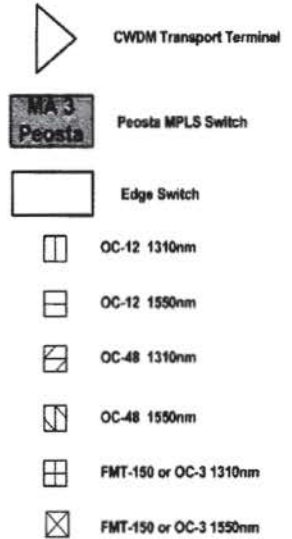
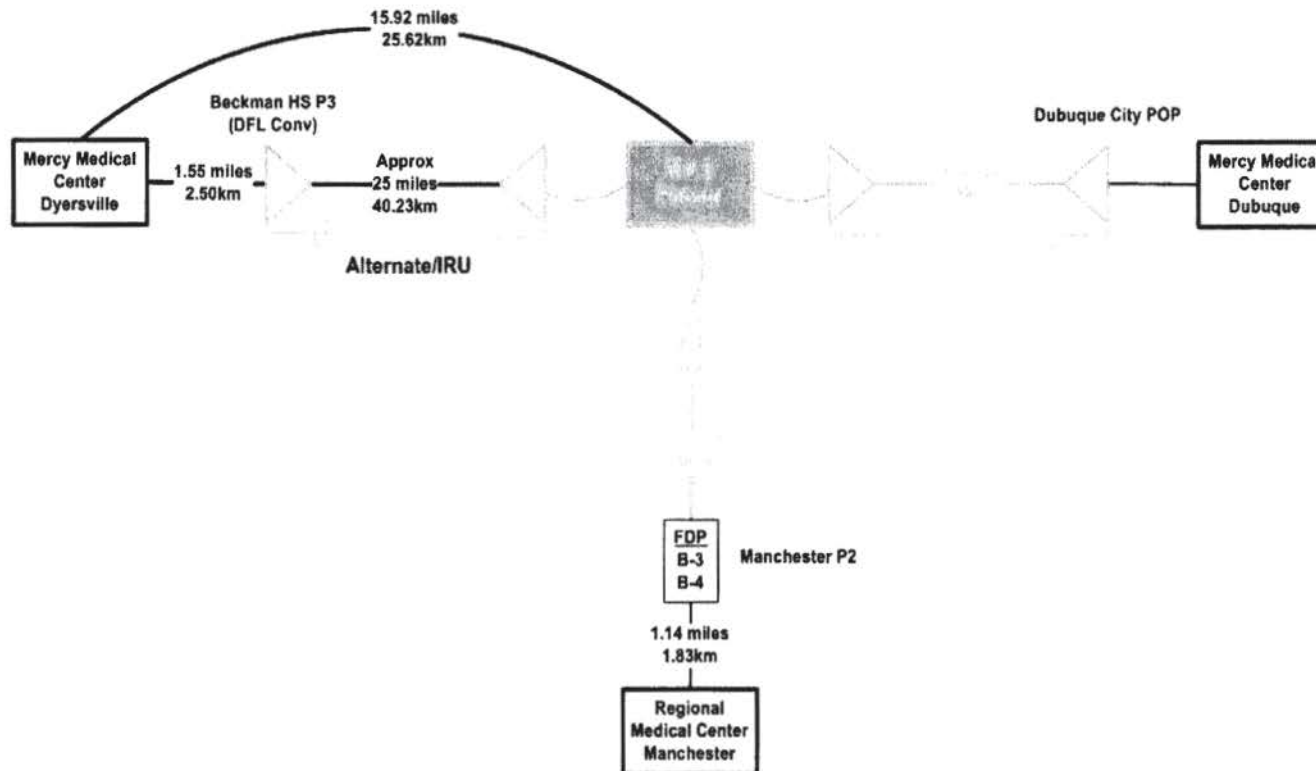
Merged Area # 1 Mason City - Physical Overview



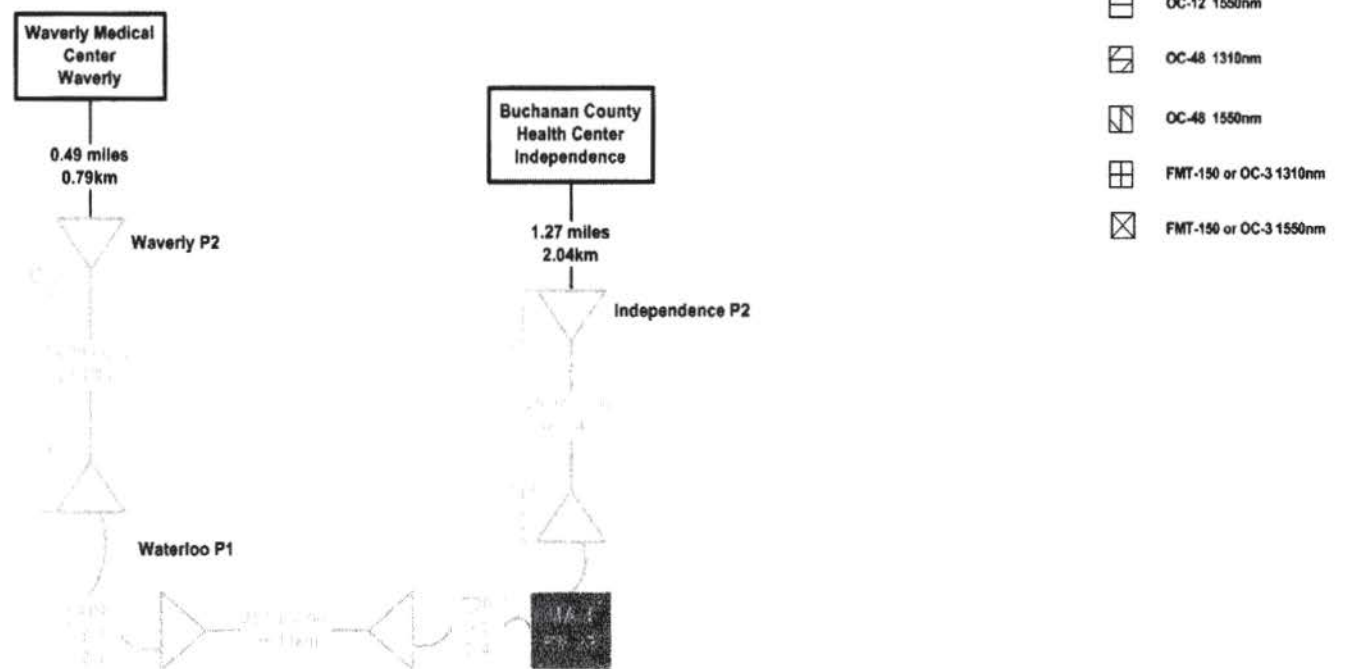
Merged Area # 2 Calmar - Physical Overview



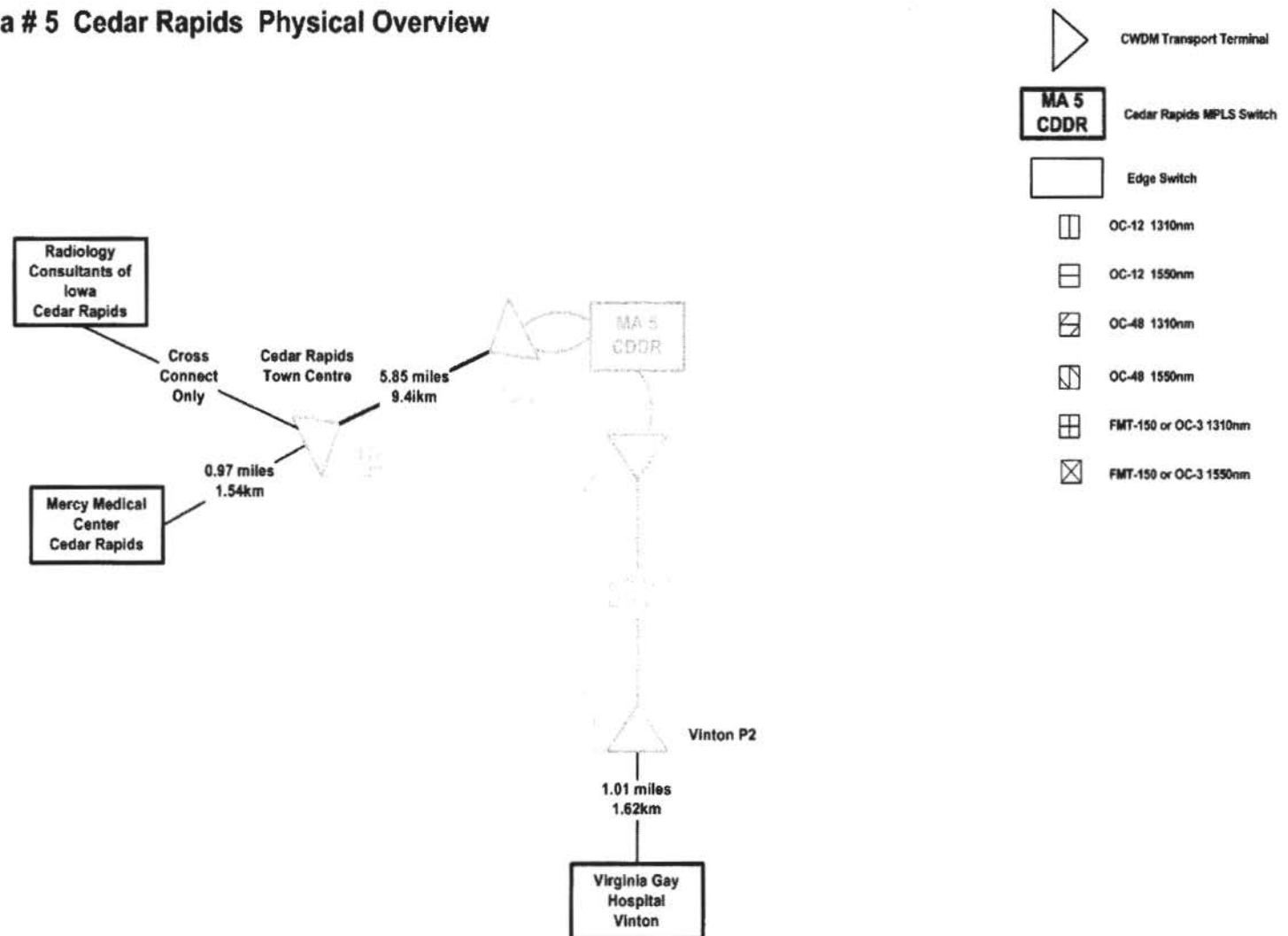
Merged Area # 3 Peosta - Physical Overview



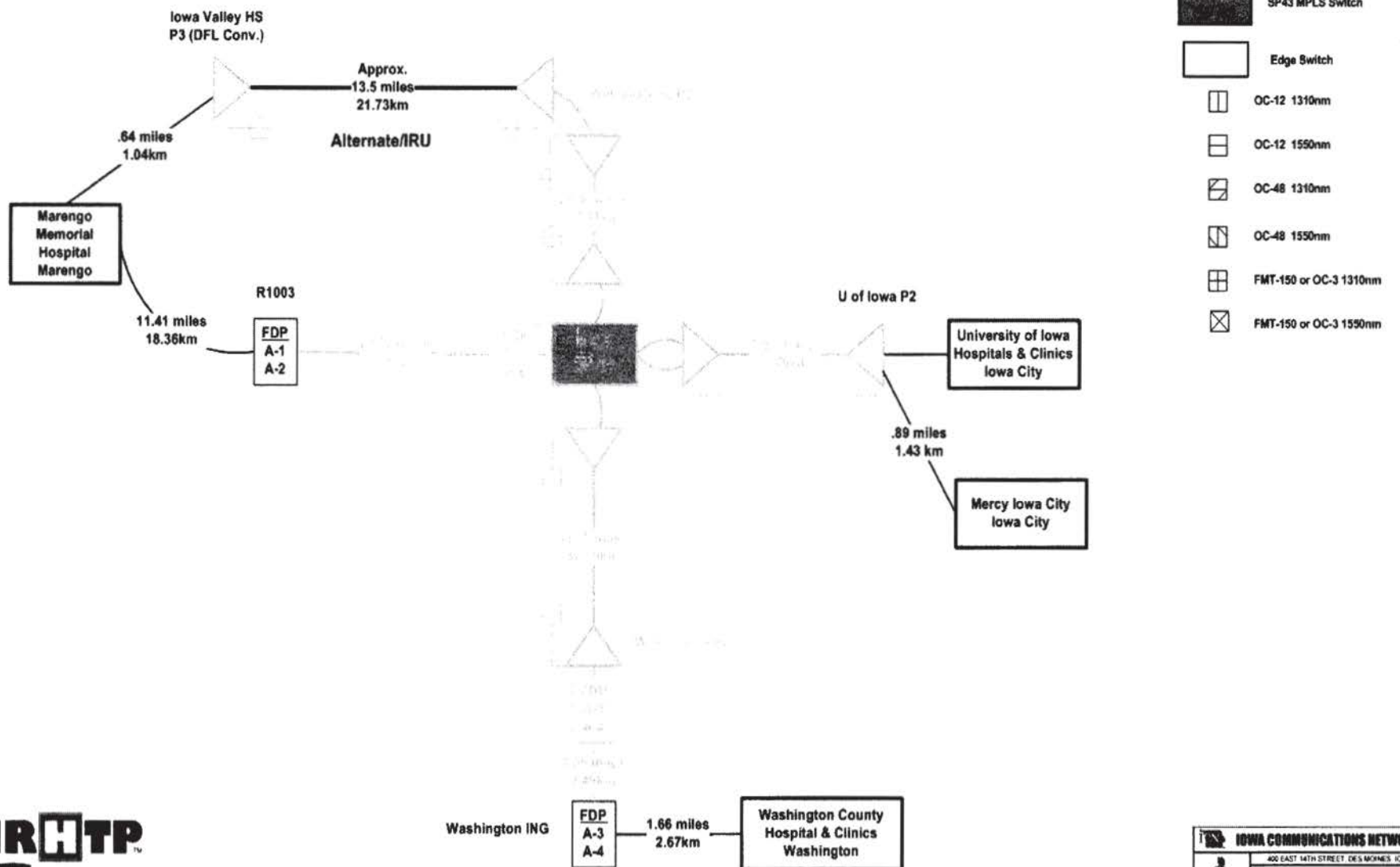
Merged Area # 4 SP 23 Independence - Physical Overview



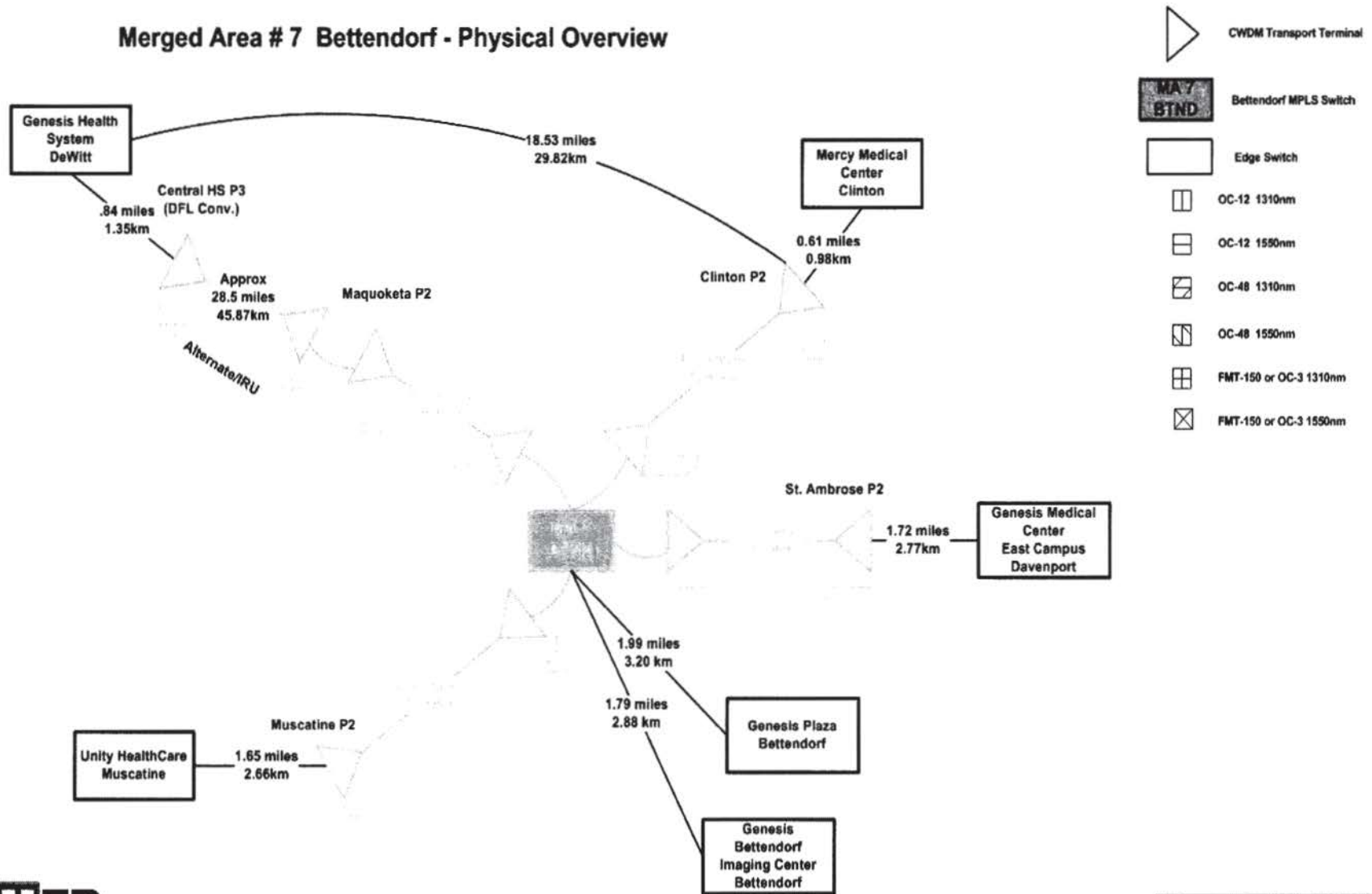
Merged Area # 5 Cedar Rapids Physical Overview



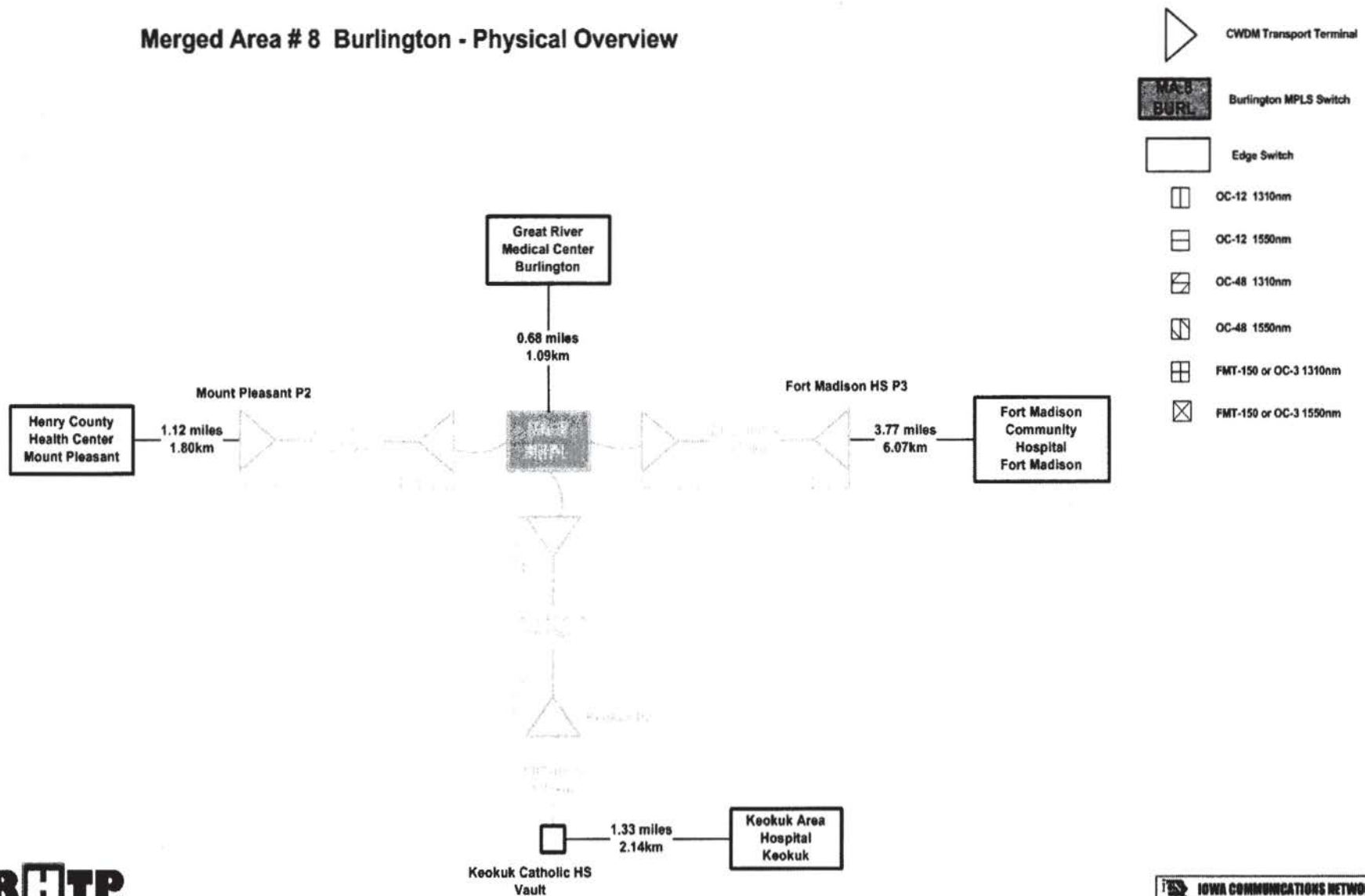
Merged Area # 6 SP 43 Iowa City - Physical Overview



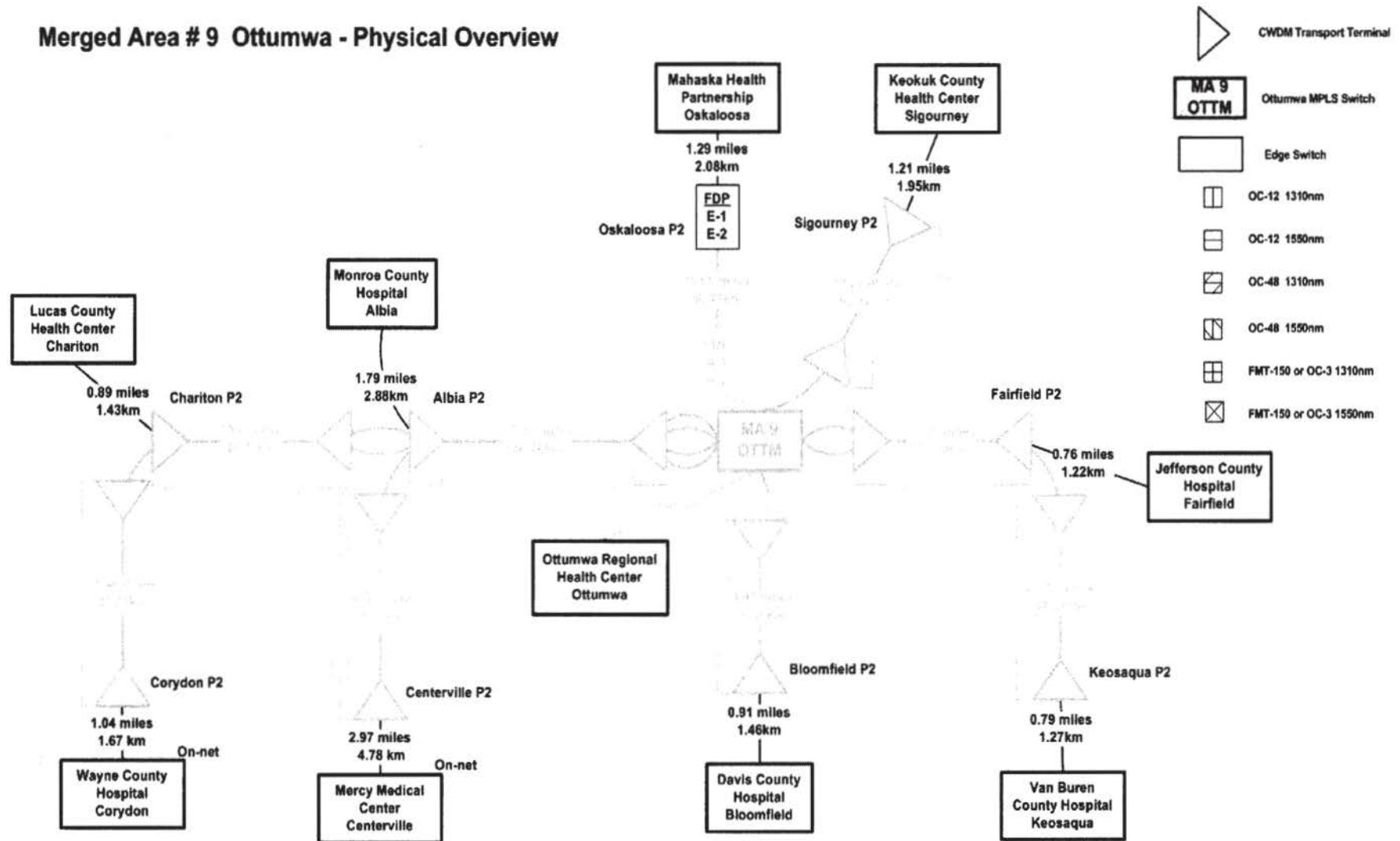
Merged Area #7 Bettendorf - Physical Overview



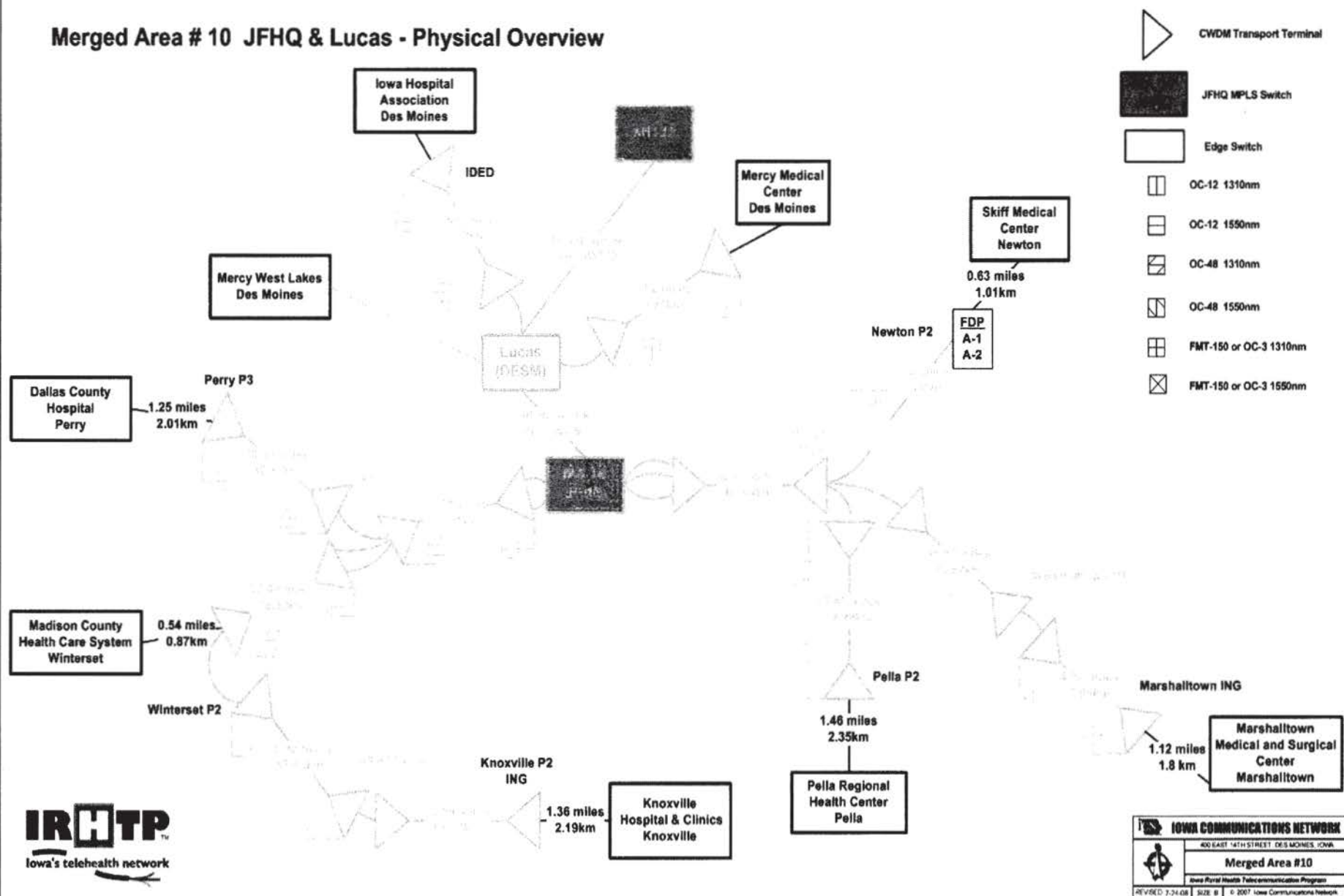
Merged Area # 8 Burlington - Physical Overview



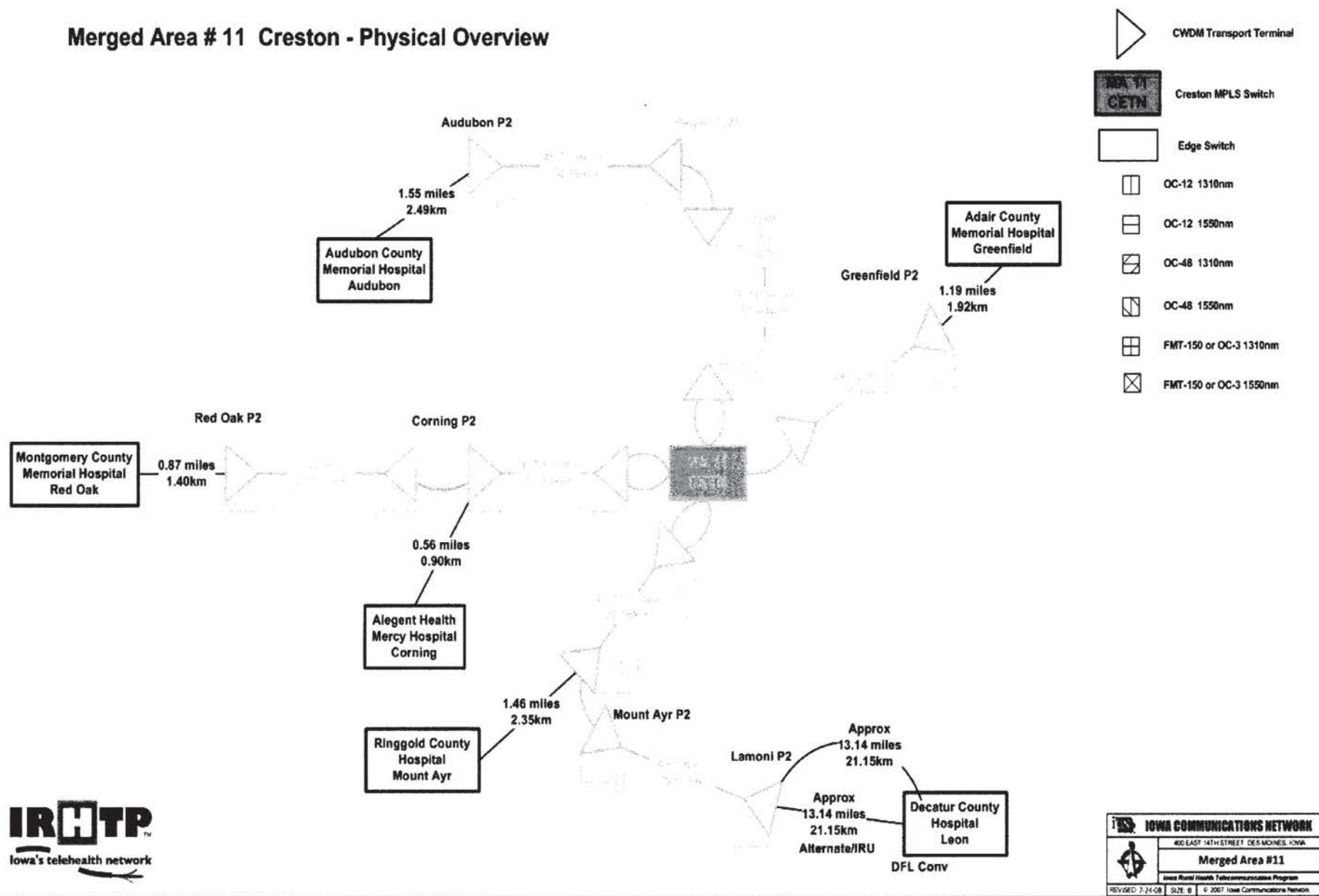
Merged Area #9 Ottumwa - Physical Overview



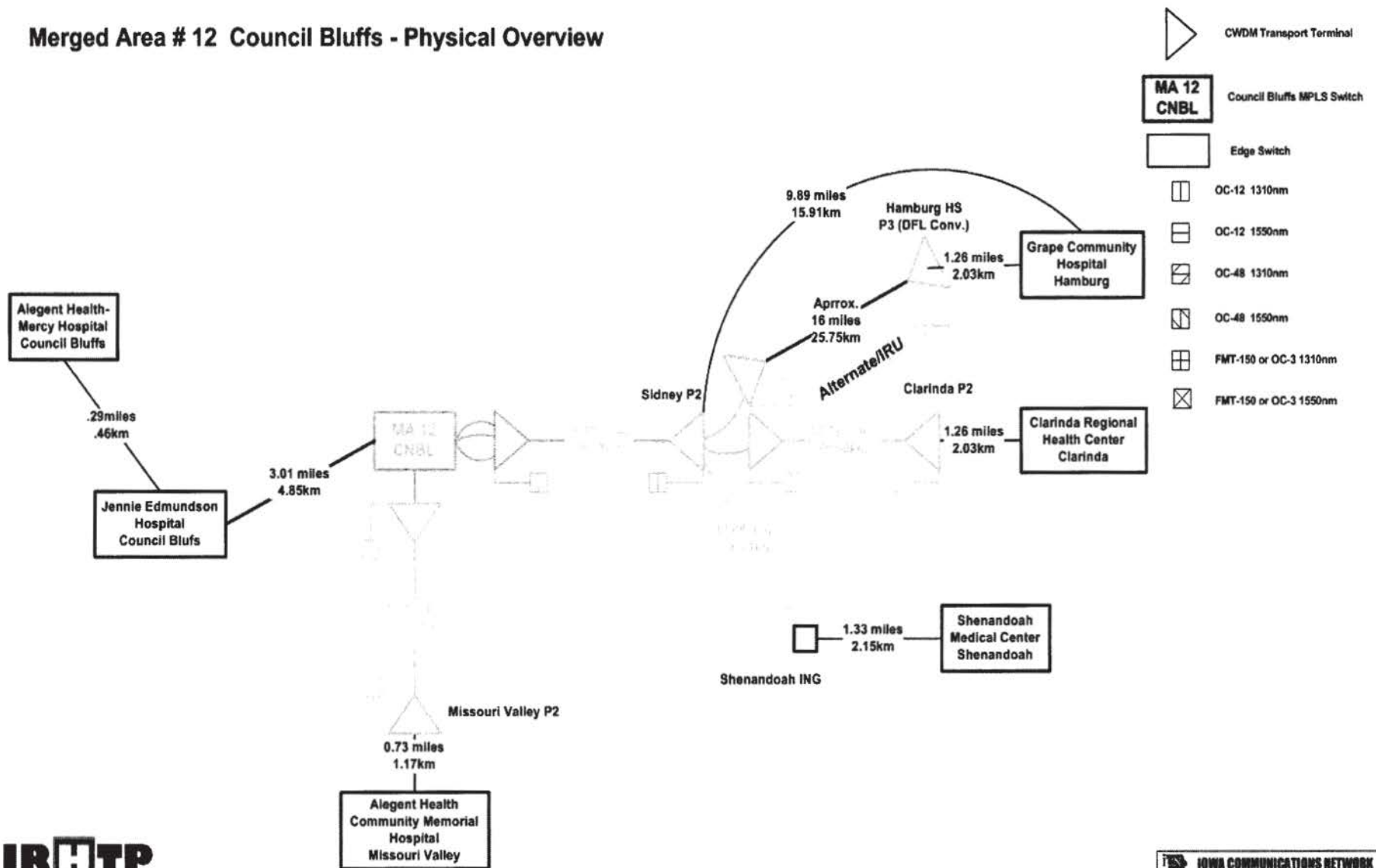
Merged Area # 10 JFHQ & Lucas - Physical Overview



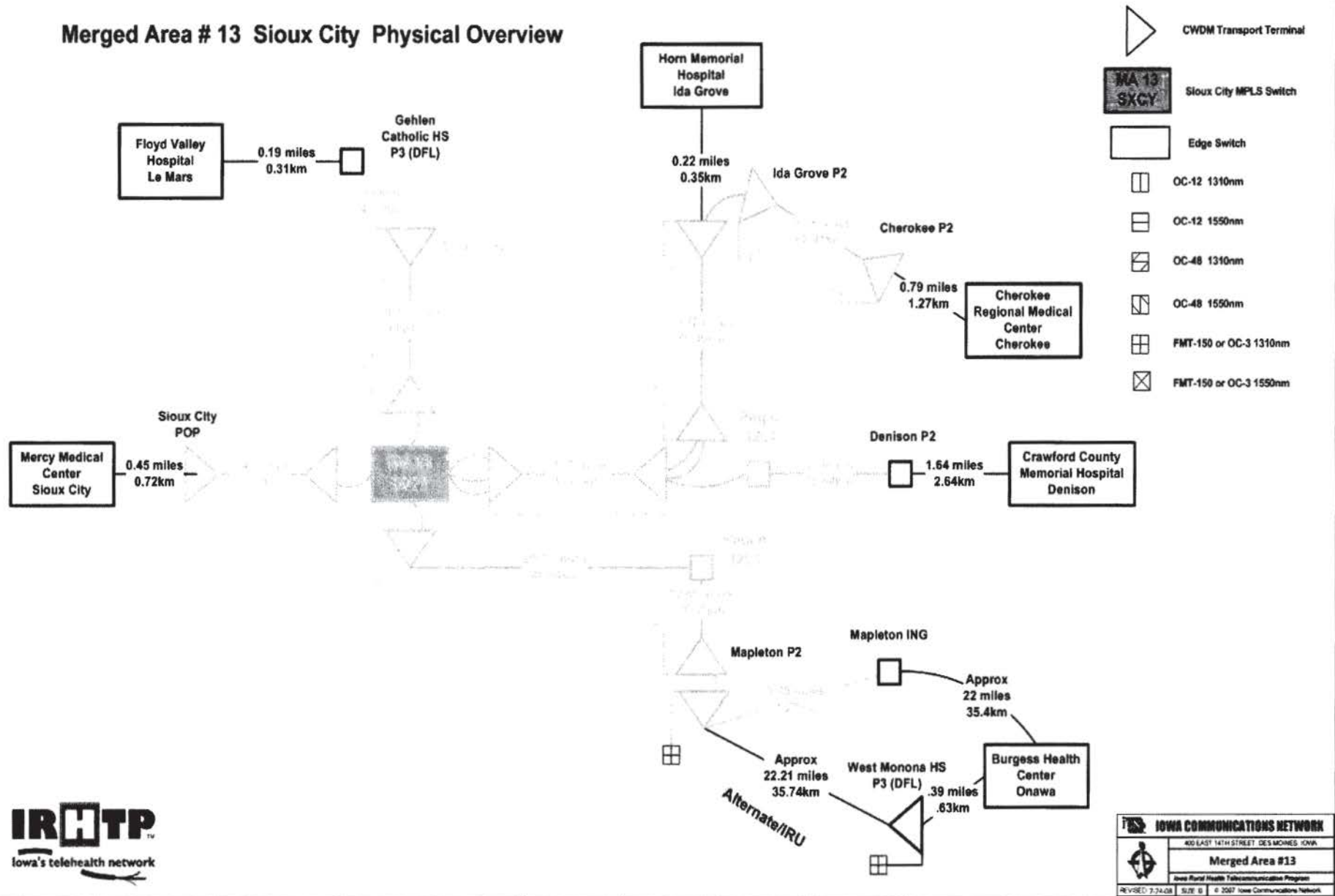
Merged Area # 11 Creston - Physical Overview



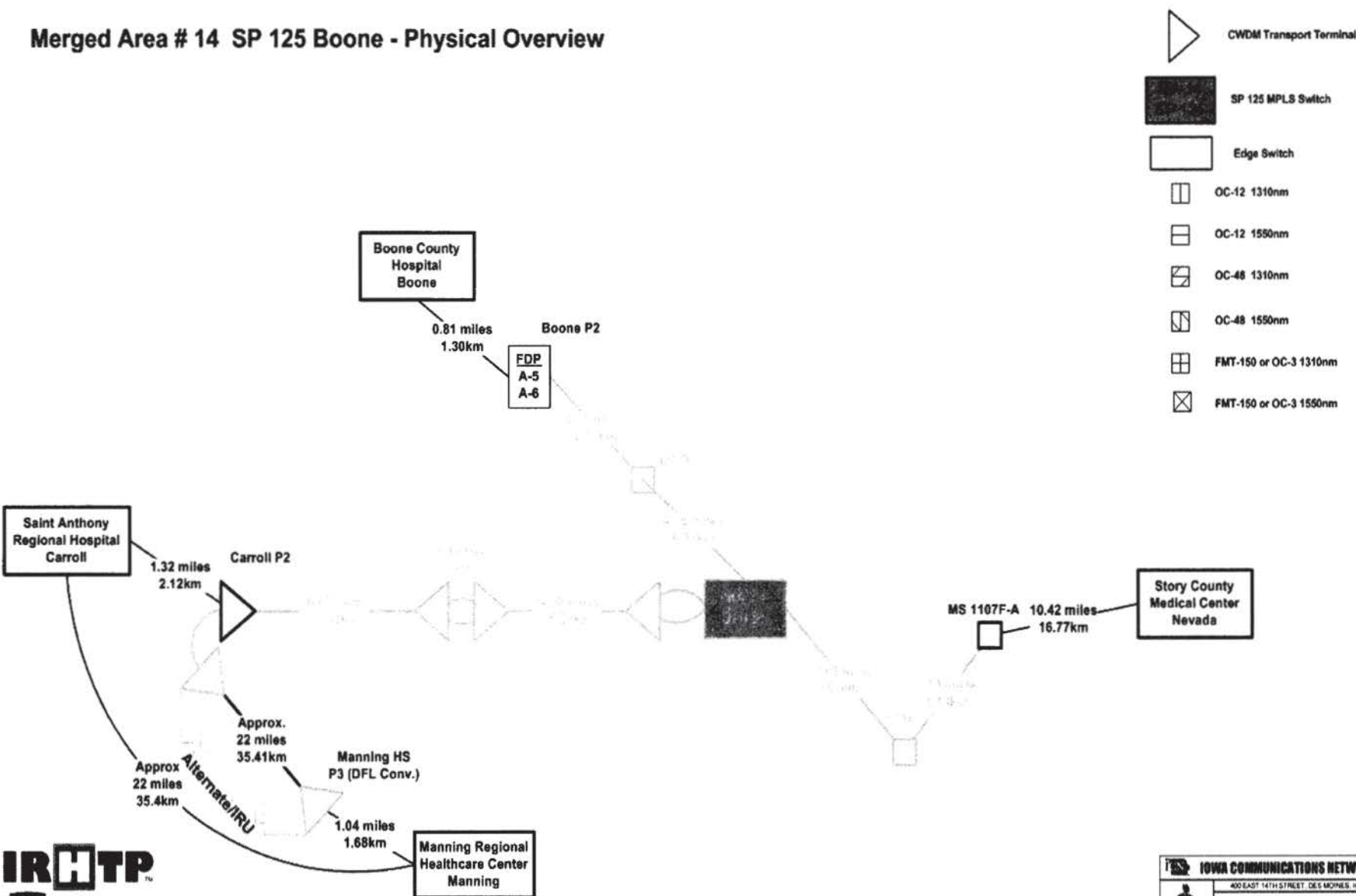
Merged Area # 12 Council Bluffs - Physical Overview



Merged Area #13 Sioux City Physical Overview



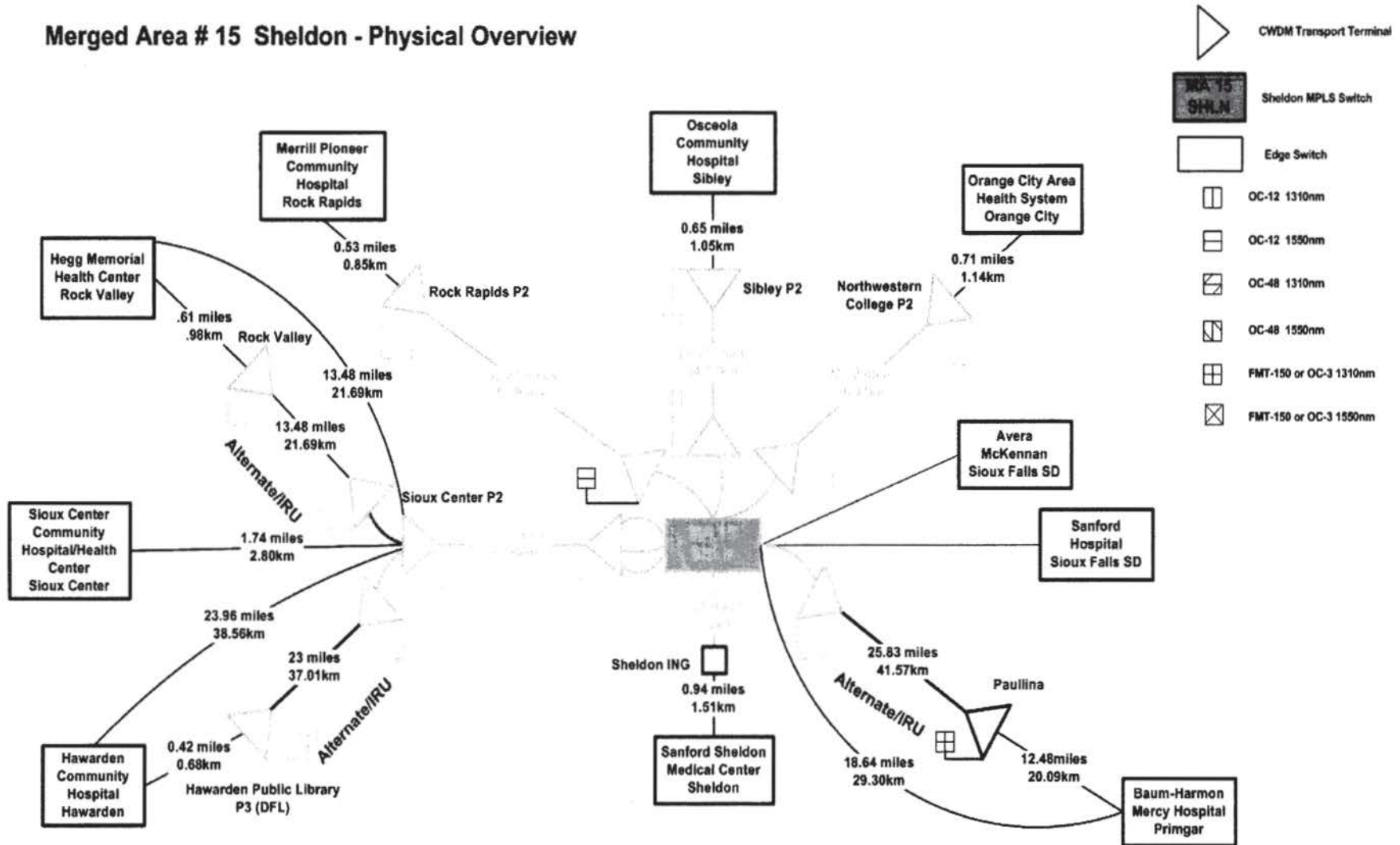
Merged Area # 14 SP 125 Boone - Physical Overview



IRHTP™
Iowa's telehealth network

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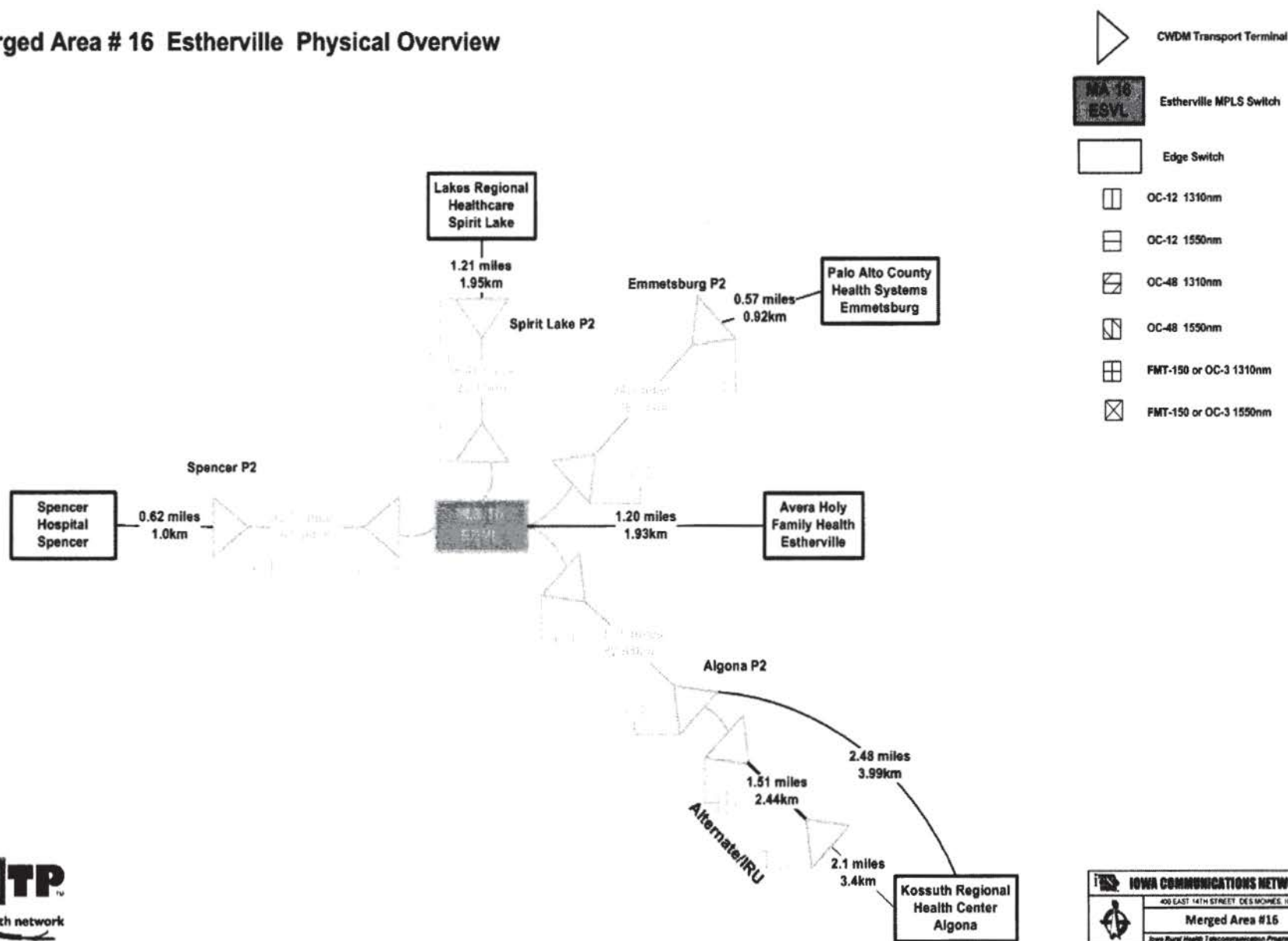
Merged Area # 15 Sheldon - Physical Overview



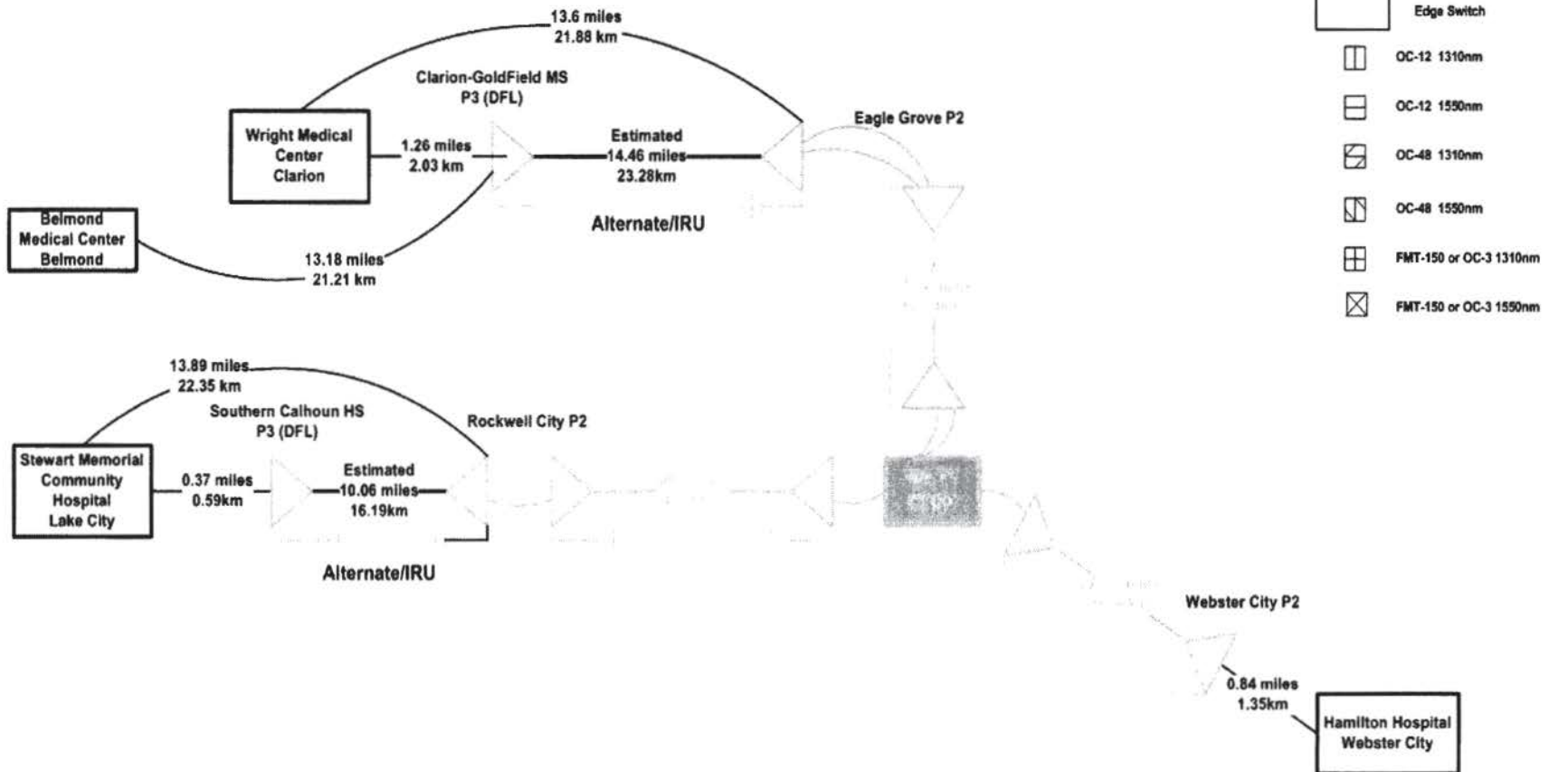
IR+TP
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Iowa Rural Health Telecommunications Program
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Merged Area # 16 Estherville Physical Overview

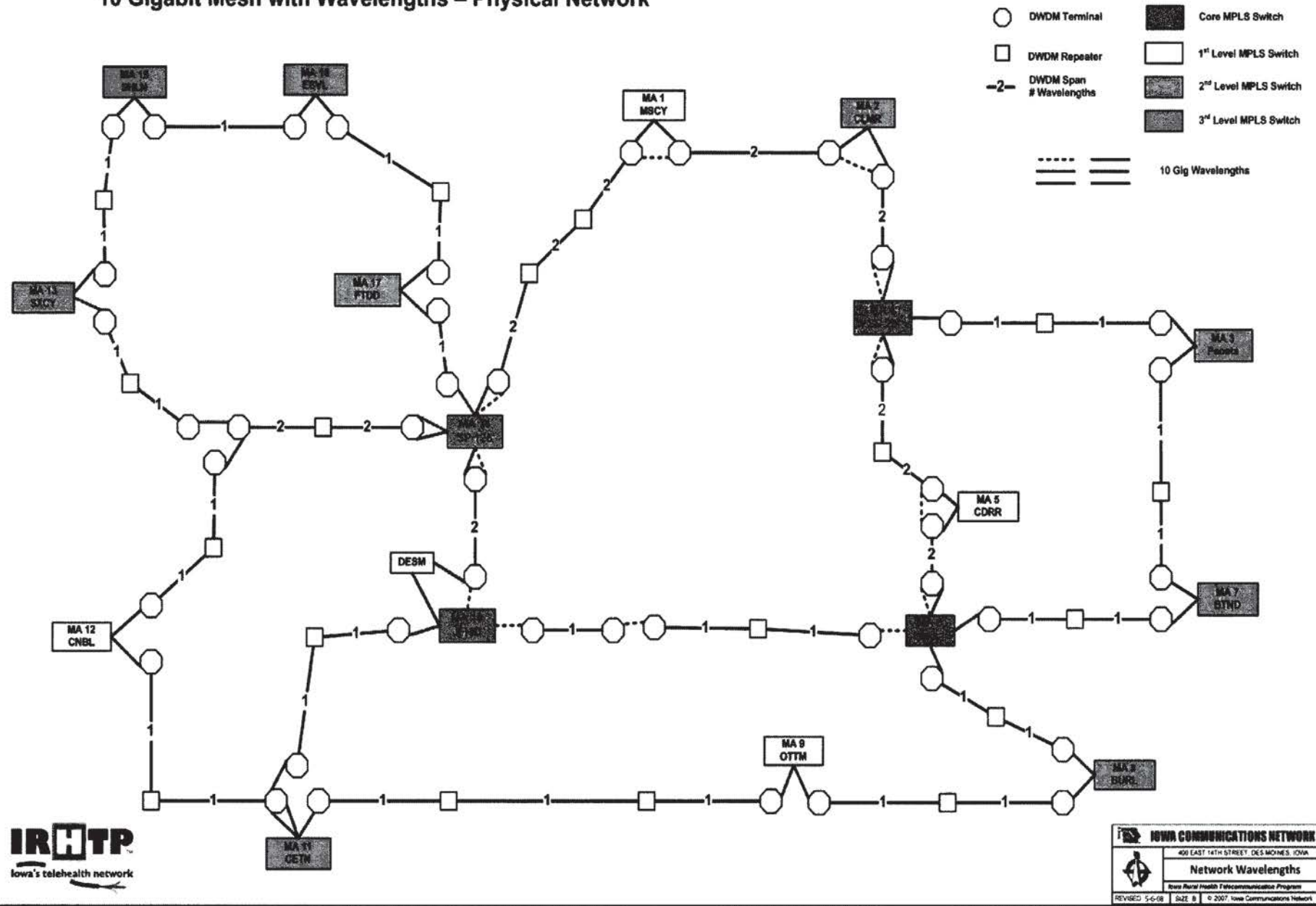


Merged Area # 17 Fort Dodge - Physical Overview



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10 Gigabit Mesh with Wavelengths – Physical Network



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Network Wavelengths
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10 Gigabit Ethernet Backbone with Gigabit Ethernet to Hospitals

